

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 30, 2026

NEW ISSUES – BOOK-ENTRY ONLY

Ratings: See “RATINGS” herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Board (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2026 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026 Bonds. See “TAX MATTERS” herein.



\$1,552,980,000*
SERIES 2026A

\$1,803,215,000*
TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
SYSTEMWIDE REVENUE BONDS

\$50,045,000*
SERIES 2026B-1

\$100,095,000*
SERIES 2026B-2

\$100,095,000*
SERIES 2026B-3

Dated: Date of Delivery

Due: November 1, as shown on inside cover

The Trustees of the California State University Systemwide Revenue Bonds, Series 2026A (the “Series 2026A Bonds”) and the Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-1, Series 2026B-2, and Series 2026B-3 (each a “Subseries” and collectively, the “Series 2026B Bonds”) and, together with the Series 2026A Bonds, the “Series 2026 Bonds”) are being issued by the Trustees of the California State University (the “Board”) pursuant to an Indenture, dated as of April 1, 2002, as supplemented from time to time, including by a Forty-Third Supplemental Indenture in respect of the Series 2026A Bonds and a Forty-Fourth Supplemental Indenture in respect of the Series 2026B Bonds, each dated as of July 1, 2026 (collectively, the “Indenture”), between the Board and the Treasurer of the State of California, as trustee (the “State Treasurer”). The Series 2026 Bonds are being issued to finance and refinance the acquisition, construction, renovation and improvement of certain facilities of the California State University, including through the refunding of certain Outstanding Systemwide Revenue Bonds and to pay costs of issuance of the Series 2026 Bonds and certain capitalized interest. See Appendix H – “PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS.”

The Series 2026 Bonds are being issued on a parity with other bonds of the Board that have been issued previously or may be issued in the future pursuant to the Indenture. The pledge of and lien on the Gross Revenues under the Indenture secures bonds issued under the Indenture on a parity basis and is senior to other indebtedness of the Board. See “SECURITY FOR THE SERIES 2026 BONDS – Parity Lien Indebtedness; No Senior Lien Indebtedness.”

The Series 2026 Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, and following their purchase by the Underwriters will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository of the Series 2026 Bonds. Individual purchases will be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interests in the Series 2026 Bonds purchased. See “THE SERIES 2026 BONDS – Book Entry Only System.”

The Series 2026 Bonds will bear interest at the rates and, with respect to the Series 2026B Bonds, at the initial Term Rates as set forth herein. Interest on the Series 2026 Bonds is payable semiannually on May 1 and November 1 of each year, commencing November 1, 2026. Principal of and interest on the Series 2026 Bonds are payable by the State Treasurer, as trustee, to DTC. DTC is required to remit such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Series 2026 Bonds, as described herein. See Appendix G – “BOOK-ENTRY ONLY SYSTEM.”

The Series 2026A Bonds are subject to optional redemption and mandatory sinking account redemption as described herein. The Series 2026B Bonds are subject to optional redemption prior to their stated maturity and to mandatory tender, all as further described herein. See “THE SERIES 2026 BONDS – Redemption” and “ – Mandatory Tender of Series 2026B Bonds” and Appendix D—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Provisions Applicable to the Series 2026B Bonds.” THIS OFFICIAL STATEMENT IS NOT INTENDED TO AND DOES NOT PROVIDE INFORMATION WITH RESPECT TO THE SERIES 2026B BONDS AFTER ADJUSTMENT TO ANY NEW INTEREST RATE PERIOD, OTHER THAN THE INITIAL RATE PERIOD DESCRIBED HEREIN.

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES/YIELDS
SEE INSIDE COVER

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE BOARD, PAYABLE FROM GROSS REVENUES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE. NEITHER THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2026 BONDS NOR ANY PART THEREOF, NOR ANY INTEREST THEREON, CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF CALIFORNIA. THE SERIES 2026 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR OTHER ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE STATE OF CALIFORNIA OR OF THE BOARD, EXCEPT TO THE EXTENT OF THE AFOREMENTIONED PLEDGE. THE OWNERS OF THE SERIES 2026 BONDS HAVE NO RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE STATE OF CALIFORNIA. THE BOARD HAS NO TAXING POWER.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2026 Bonds are offered when, as and if issued, subject to the approval of certain legal matters by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by its General Counsel and for the Underwriters by Hawkins Delafield & Wood LLP, as Underwriters’ Counsel, and Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the Board. It is anticipated that the Series 2026 Bonds will be available for delivery to DTC on or about July 29, 2026.*

Barclays
Amerivet Securities Inc.

Siebert Williams Shank
Stifel

Academy Securities
Cabrera Capital Markets
J.P. Morgan
Mischler Financial Group, Inc.
Ramirez & Co., Inc.
Stern Brothers & Co.

American Veterans Group, PBC
Goldman Sachs & Co. LLC
Jefferies
Morgan Stanley
Raymond James
TD Securities

BofA Securities
HilltopSecurities
Loop Capital Markets
Piper Sandler & Co.
RBC Capital Markets
U.S. Bancorp Investments, Inc.

Wells Fargo Corporate & Investment Banking

Dated: July __, 2026

*Preliminary, subject to change

MATURITY SCHEDULE*

SERIES 2026A BONDS

Maturity (November 1)	Principal Amount	Interest Rate	Price/ Yield	CUSIP** (13077D)	Maturity (November 1)	Principal Amount	Interest Rate	Price/ Yield	CUSIP** (13077D)
2026	\$ 7,860,000	%	%		2038	\$87,215,000	%	%	
2027	47,085,000				2039	82,525,000			
2028	56,180,000				2040	76,820,000			
2029	61,635,000				2041	56,940,000			
2030	64,775,000				2042	31,360,000			
2031	68,075,000				2043	32,890,000			
2032	71,545,000				2044	34,495,000			
2033	74,370,000				2045	33,655,000			
2034	78,185,000				2046	22,405,000			
2035	78,615,000				2047	23,545,000			
2036	78,965,000				2048	24,760,000			
2037	82,980,000								

\$82,180,000 ____% Term Bond due November 1, 2051 Price/Yield: ____%, CUSIP** 13077D____

\$193,920,000 ____% Term Bond due November 1, 2057 Price/Yield: ____%, CUSIP** 13077D____

SERIES 2026B-1 BONDS

Maturity (November 1)	Principal Amount	Initial Term Rate	Last Date of Initial Rate Period	Term Rate Scheduled Mandatory Tender Date	Term Rate Call Protection Date	Price/Yield	CUSIP** (13077D)
2047	\$50,045,000	%		November 1, 2029	May 1, 2029	%	

SERIES 2026B-2 BONDS

Maturity (November 1)	Principal Amount	Initial Term Rate	Last Date of Initial Rate Period	Term Rate Scheduled Mandatory Tender Date	Term Rate Call Protection Date	Price/Yield	CUSIP** (13077D)
2049	\$100,095,000	%		November 1, 2029	May 1, 2029	%	

SERIES 2026B-3 BONDS

Maturity (November 1)	Principal Amount	Initial Term Rate	Last Date of Initial Rate Period	Term Rate Scheduled Mandatory Tender Date	Term Rate Call Protection Date	Price/Yield	CUSIP** (13077D)
2051	\$100,095,000	%		November 1, 2032	May 1, 2032	%	

* Preliminary, subject to change

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CALIFORNIA STATE UNIVERSITY

Trustees

The Honorable Gavin Newsom	<i>Governor of California</i>
The Honorable Eleni Kounalakis	<i>Lieutenant Governor</i>
The Honorable Robert Rivas	<i>Speaker of the Assembly</i>
The Honorable Tony K. Thurmond	<i>State Superintendent of Public Instruction</i>
Dr. Mildred García	<i>CSU Chancellor</i>
Diego Arambula	<i>Chair, CSU Board of Trustees</i>
Raji Kaur Brar	<i>Vice Chair, CSU Board of Trustees</i>
Larry L. Adamson	<i>Alumni, CSU Board of Trustees</i>
Jack B. Clarke, Jr.	<i>Member, CSU Board of Trustees</i>
Kelly M. Dermody	<i>Member, CSU Board of Trustees</i>
Andrea C. Evans	<i>Member, CSU Board of Trustees</i>
Carson Fajardo	<i>Student, CSU Board of Trustees</i>
Wenda Fong	<i>Member, CSU Board of Trustees</i>
Mark Ghilarducci	<i>Member, CSU Board of Trustees</i>
Leslie Gilbert-Lurie	<i>Member, CSU Board of Trustees</i>
Jazmin Guajardo*	<i>Student, CSU Board of Trustees</i>
Julia I. Lopez	<i>Member, CSU Board of Trustees</i>
Jack McGrory	<i>Member, CSU Board of Trustees</i>
Sam Nejabat	<i>Member, CSU Board of Trustees</i>
Dr. Yammilette Rodriguez	<i>Member, CSU Board of Trustees</i>
Dr. Darlene Yee-Melichar**	<i>Faculty, CSU Board of Trustees</i>

Officers and Executives

Dr. Mildred García, <i>Chancellor</i>
Patrick Lenz, <i>Interim Executive Vice Chancellor of Business and Finance and Chief Financial Officer</i>
Dawn Theodora, <i>Interim Executive Vice Chancellor, General Counsel and Secretary of the Board</i>
Dr. Dave Grant, <i>Interim Vice Chancellor of Human Resources and Chief Human Resources Officer</i>
Vlad Marinescu, <i>Vice Chancellor and Chief Audit Officer</i>
Greg Saks, <i>Vice Chancellor External Relations and Communications</i>
Dr. Junius J. Gonzales, <i>Vice Chancellor, Academic Affairs and Chief Academic Affairs Officer</i>
Dr. Dilcie D. Perez, <i>Vice Chancellor of Strategic Enrollment Management and Student Success</i>

Special Services

The Honorable Fiona Ma <i>Treasurer of the State of California</i>
The Honorable Rob Bonta <i>Attorney General of the State of California</i>
Orrick, Herrington & Sutcliffe LLP Bond Counsel and Disclosure Counsel
KNN Public Finance, LLC Municipal Advisor
Causey Public Finance, LLC Verification Agent
U.S. Bank Trust Company, National Association Tender Agent

* By operation of California Education Code, office continues beyond June 30, 2026 expiration of term pending appointment of successor.

** A grace period following end of term expires on June 30, 2026, and position will be vacant as of July 1, 2026, pending appointment of a successor by the Governor.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board or the State of California.

Certain of the information set forth herein has been obtained from the State of California, the Board, and other sources which are believed to be reliable. Such information is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State of California or the California State University since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2026 Bonds and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the California State University.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2026 Bonds. Statements contained in this Official Statement which involve estimates, projections, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

A wide variety of other information, including financial information, concerning the State of California and the California State University is available from State agencies, State agency publications and State agency internet sites. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement. The information contained on any website mentioned in this Official Statement is not incorporated in this Official Statement, whether or not the web address for such website appears as an active hyperlink. Any such website mentioned herein is for reference and convenience only, and does not constitute a part of this Official Statement. No website mentioned in this Official Statement is intended to be an active hyperlink. Readers should not rely upon information other than that provided in this Official Statement, including information presented on any such website, in determining whether to purchase the Series 2026 Bonds.

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
General	1
CSU and Systemwide Financing Program	1
Security for the Series 2026 Bonds	2
Purposes of the Series 2026 Bonds	2
Capital Financing Authorities	3
Redemption of Series 2026 Bonds; Tender of Series 2026B Bonds	3
Continuing Disclosure	3
Forward Looking Statements	4
Certain Information Related to this Official Statement	4
THE SERIES 2026 BONDS	4
General	4
Book Entry Only System	5
Redemption – Series 2026A Bonds	5
Redemption – Series 2026B Bonds	7
Mandatory Tender of Series 2026B Bonds	8
Defeasance	8
SECURITY FOR THE SERIES 2026 BONDS	8
Limited Obligations	8
Pledge	9
Rate Covenant	9
Parity Lien Indebtedness; No Senior Lien Indebtedness	10
ESTIMATED SOURCES AND USES OF FUNDS	10
PLAN OF FINANCE	10
Projects Financed by Series 2026A Bonds	10
Refunding Plan	11
THE PROJECTS	11
General Description	11
Excluded Facilities	12
Effect of Damage to or Loss of Projects	13
TAX MATTERS	13
CERTAIN LEGAL MATTERS	15
CONTINUING DISCLOSURE	15
LEGALITY FOR INVESTMENT	15
LITIGATION	15
RATINGS	16
UNDERWRITING	16
MUNICIPAL ADVISOR	16
TENDER AGENT	16
FINANCIAL INTERESTS	16
VERIFICATION OF MATHEMATICAL COMPUTATIONS	16
AUDITED FINANCIAL STATEMENTS	17

TABLE OF CONTENTS

(continued)

	Page
MISCELLANEOUS.....	17
APPENDIX A CALIFORNIA STATE UNIVERSITY	A-1
APPENDIX B INFORMATION REGARDING THE UNIVERSITIES OF THE CALIFORNIA STATE UNIVERSITY SYSTEM.....	B-1
APPENDIX C AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025.....	C-1
APPENDIX D SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.....	D-1
APPENDIX E FORM OF CONTINUING DISCLOSURE CERTIFICATE	E-1
APPENDIX F FORM OF BOND COUNSEL OPINION	F-1
APPENDIX G BOOK-ENTRY ONLY SYSTEM.....	G-1
APPENDIX H PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS	H-1
APPENDIX I LETTERS FROM UNDERWRITERS	I-1

CSU The California State University

22 UNIVERSITIES THROUGHOUT CALIFORNIA



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OFFICIAL STATEMENT

\$1,803,215,000*

**TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
SYSTEMWIDE REVENUE BONDS**

\$1,552,980,000*

**TRUSTEES OF THE
CALIFORNIA STATE UNIVERSITY
SYSTEMWIDE REVENUE BONDS
SERIES 2026A**

\$50,045,000*

**TRUSTEES OF THE
CALIFORNIA STATE UNIVERSITY
SYSTEMWIDE REVENUE BONDS
SERIES 2026B-1**

\$100,095,000*

**TRUSTEES OF THE
CALIFORNIA STATE UNIVERSITY
SYSTEMWIDE REVENUE BONDS
SERIES 2026B-2**

\$100,095,000*

**TRUSTEES OF THE
CALIFORNIA STATE UNIVERSITY
SYSTEMWIDE REVENUE BONDS
SERIES 2026B-3**

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Series 2026 Bonds being offered and a brief description of the Official Statement. A full review should be made of the entire Official Statement including the Appendices hereto. All statements contained in this introductory section are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California or any other documents referred to herein do not purport to be complete, and such references are qualified in their entirety by reference to the complete provisions thereof.

General

The purpose of this Official Statement (the “Official Statement”) is to set forth certain information concerning the Trustees of the California State University Systemwide Revenue Bonds, Series 2026A (the “Series 2026A Bonds”) and the Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-1, Series 2026B-2 and Series 2026B-3 (collectively, the “Series 2026B Bonds” and, together with the Series 2026A Bonds, the “Series 2026 Bonds”). The Series 2026 Bonds are authorized to be issued by the Trustees of the California State University (the “Board”) pursuant to The State University Revenue Bond Act of 1947, Sections 90010 through 90081 of the Education Code of the State of California (the “Act”) and an indenture, dated as of April 1, 2002 (as amended and supplemented, the “Indenture”), by and between the Board and the Treasurer of the State of California, as trustee (the “State Treasurer”).

CSU and Systemwide Financing Program

The California State University (the “CSU”) is an agency of the State of California (the “State”) created by the Donahoe Higher Education Act in 1960, which reorganized higher education in California. At that time, twelve existing schools, previously under the jurisdiction of the State Board of Education, were brought under the stewardship of the Board. Until recently, there were 23 universities and seven off-campus centers in the CSU system. However, in November 2024, the Board approved the phased integration of California State University Maritime Academy, and California Polytechnic State University, San Luis Obispo, which is expected to be completed at the start of the 2026-2027 academic year. See Appendix A – “CALIFORNIA STATE UNIVERSITY – GENERAL” and “ – THE CSU SYSTEM AND UNIVERSITIES – Enrollment.” The 22 universities are geographically dispersed throughout the State to provide a wide spectrum of higher education services. During the Fall 2025 term, CSU provided instruction to approximately 416,531 undergraduate students, 11,909 post-baccalaureate students and 43,010 graduate students. See Appendix A for a general description of CSU and Appendix B for an overview of each university.

* Preliminary, subject to change.

CSU issues debt to finance many of its capital facilities needs. Responsibility for the management of CSU debt obligations is centralized in the CSU Chancellor's Office, with oversight and ultimate approval by the Board. See Appendix A – "CALIFORNIA STATE UNIVERSITY – CSU AND RELATED ENTITY INDEBTEDNESS."

The Series 2026 Bonds represent the forty-fourth and forty-fifth series of bonds issued by the Board pursuant to a systemwide debt financing program adopted on March 13, 2002 (the "Systemwide Financing Program"). Before the establishment of the Systemwide Financing Program, the Board had financed various capital projects by issuing directly, or through auxiliary support organizations, separate series of bonds relating to individual projects or one or more similar projects. The Systemwide Financing Program has a multi-source revenue pledge intended to create an efficient borrowing structure with a diverse revenue base. The Board retains the right to finance projects outside of the Systemwide Financing Program. The Board expects the Systemwide Financing Program to continue to be the primary long-term financing method for CSU revenue generating capital projects and also to be the primary long-term financing method for future academic, administrative and certain other non-revenue generating capital projects. See "– Capital Financing Authorities" below.

Revenues pledged under the Systemwide Financing Program have historically included student housing fees, student body center fees, parking fees, health center facility fees and continuing education fees derived from substantially all of the housing, parking, student union, student center, student health center and continuing education facilities owned or operated by the Board and other projects and revenues designated by the Board for inclusion in the Systemwide Financing Program. Those other projects and revenues include certain projects leased by the Board to certain auxiliary organizations of CSU and the California State University, Channel Islands Site Authority, a governmental entity related to CSU. In 2016, the Tuition Fee (previously known as the State University Fee), which is the basic enrollment charge paid by all students who attend CSU, was added to the pledge of revenues under the Systemwide Financing Program. See "– Capital Financing Authorities" below. See also "SECURITY FOR THE SERIES 2026 BONDS," "THE PROJECTS" and Appendix A – "CALIFORNIA STATE UNIVERSITY – SYSTEMWIDE REVENUE BOND PROGRAMS."

Security for the Series 2026 Bonds

The Series 2026 Bonds are limited obligations of the Board. The Series 2026 Bonds are being issued as Additional Bonds pursuant to the Indenture and will be secured on a parity with the \$10,347,020,000 aggregate principal amount of revenue bonds that are issued and outstanding pursuant to the Indenture as of June 30, 2026 (without taking into account the issuance of the Series 2026 Bonds or any refunding of certain of such revenue bonds as described under "PLAN OF FINANCE – Refunding Plan," herein), of which approximately \$10,097,020,000 are fixed-rate Bonds and \$250 million are Bonds which have fixed term rates through their November 1, 2026 mandatory tender date. These revenue bonds together with the Series 2026 Bonds and any additional series of revenue bonds that the Board may issue in the future from time to time in accordance with the Indenture are collectively referred to in this Official Statement as the "Systemwide Revenue Bonds." See "SECURITY FOR THE SERIES 2026 BONDS – Parity Lien Indebtedness; No Senior Lien Indebtedness."

The Systemwide Revenue Bonds are secured on a senior basis to certain other obligations of CSU and related entities, some of which obligations may bear interest at variable rates and may be of a relatively shorter term than the Systemwide Revenue Bonds. See Appendix A – "CALIFORNIA STATE UNIVERSITY – CSU AND RELATED ENTITY INDEBTEDNESS – Commercial Paper."

There is no bond reserve fund established by the Indenture to secure the Systemwide Revenue Bonds.

The Systemwide Revenue Bonds do not constitute a liability of or a lien or charge upon the funds or property of the State of California or of the Board, except to the extent of the pledge under the Indenture. The Board has no taxing power.

Purposes of the Series 2026 Bonds

Proceeds of the Series 2026 Bonds will be used for the purposes of financing and refinancing the acquisition, construction, improvement and renovation of certain facilities of CSU. A portion of the proceeds of the Series 2026 Bonds, together with certain other moneys, if applicable, will be applied to refund certain Outstanding Systemwide Revenue Bonds, which financed certain CSU facilities (collectively, as more particularly described herein, the "Bonds

to be Refunded”). Selection of the Bonds to be Refunded is at the sole discretion of the Board. Proceeds will also be applied to pay certain costs of issuance of the Series 2026 Bonds (including certain costs related to the refunding described herein), and certain capitalized interest. See “PLAN OF FINANCE,” Appendix A – “CALIFORNIA STATE UNIVERSITY – CSU AND RELATED ENTITY INDEBTEDNESS – Commercial Paper” and Appendix H – “PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS.”

Capital Financing Authorities

In July 2014, the State Legislature passed Senate Bill 860 (“SB 860”), which changed the State’s approach to funding non-revenue generating capital facilities at CSU, such as campus infrastructure projects, academic and administrative buildings, and other capital facilities that are essential to CSU’s operations (collectively, “Academic Facilities”). Historically, the State funded Academic Facilities with proceeds of lease revenue bonds issued by the State Public Works Board and State general obligation bonds for which, in each case, the State made all debt service payments directly or through appropriations to CSU.

SB 860 provided CSU with the statutory authority to issue bonds to finance Academic Facilities, as well as the ability to pledge additional revenues, including but not limited to student tuition, to support its debt obligations. At the same time, SB 860 shifted budgetary responsibility from the State to CSU to pay for debt service on State Public Works Board lease revenue bonds and State general obligation bonds issued on behalf of CSU.

In 2016, the Tuition Fee, which is the basic enrollment charge paid by all students who attend CSU, was added to “Gross Revenues” pledged under the Indenture to secure all Systemwide Revenue Bonds (including prior issues). The Systemwide Financing Program is, and is expected to continue to be, the primary long-term financing vehicle for Academic Facilities.

Redemption of Series 2026 Bonds; Tender of Series 2026B Bonds*

The Series 2026A Bonds are subject to optional and mandatory sinking account redemption as described herein. See “THE SERIES 2026 BONDS – Redemption – Series 2026A Bonds.”

The Series 2026B Bonds are subject to optional redemption as described herein. See “THE SERIES 2026 BONDS – Redemption – Series 2026B Bonds.”

The Series 2026B Bonds are also subject to mandatory tender for purchase on the Term Rate Scheduled Mandatory Tender Date or other mandatory tender date selected by the Board which is on or after the applicable Term Rate Call Protection Date. Failure to pay the Purchase Price of all such Series 2026B Bonds tendered on a Term Rate Scheduled Mandatory Tender Date or other mandatory tender date does not constitute an Event of Default under the Indenture. See “THE SERIES 2026 BONDS – Mandatory Tender of Series 2026B Bonds” and Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Provisions Applicable to the Series 2026B Bonds – Mandatory Tender of the Series 2026B Bonds.”

Continuing Disclosure

The Board will covenant for the benefit of the Holders and Beneficial Owners (as defined in the Continuing Disclosure Certificate) of the Series 2026 Bonds to provide certain financial information and operating data relating to the Series 2026 Bonds (the “Annual Report”) not later than the January 1 following the end of the Board’s fiscal year (which fiscal year currently ends June 30), commencing with the report for the fiscal year ending June 30, 2026, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of the enumerated events will be filed with the Municipal Securities Rulemaking Board. See “CONTINUING DISCLOSURE.” The specific nature of the information to be contained in the Annual Report and in the notices of the enumerated events is set forth in Appendix E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants are made in order to assist the Underwriters of the Series 2026 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

* Preliminary, subject to change.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “INTRODUCTION” and Appendix A – “CALIFORNIA STATE UNIVERSITY.”

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur, except as described under the caption “CONTINUING DISCLOSURE” and in Appendix E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Certain Information Related to this Official Statement

This Official Statement contains brief descriptions of the Series 2026 Bonds, security for the Series 2026 Bonds, the Board, the Bonds to be Refunded, the Continuing Disclosure Certificate to be executed in respect of the Series 2026 Bonds, and the Indenture. General information concerning CSU, including the Systemwide Financing Program, is contained in Appendices A and B. The audited Financial Statements of CSU for the fiscal year ended June 30, 2025 are contained in Appendix C. Gross Revenues and certain other financial information relating to the Systemwide Revenue Bond program are presented in the form of supplemental schedules to the combined financial statements of the Board. The summaries of the Indenture and the Continuing Disclosure Certificate contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the Indenture and the Continuing Disclosure Certificate. Copies of the Indenture, the Continuing Disclosure Certificate and other documents referenced herein are available for inspection and for delivery from the Board at the Chancellor’s Office, 401 Golden Shore, 5th Floor, Long Beach, California 90802-4210, Attention: Assistant Vice Chancellor, Financing, Treasury and Risk Management.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof. All financial and other information presented in this Official Statement has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Board. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Capitalized terms used herein which are not otherwise defined have the meanings set forth under the heading Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – CERTAIN DEFINED TERMS.”

THE SERIES 2026 BONDS

General

The Series 2026 Bonds are issued in fully registered form in denominations of \$5,000 and any integral multiple thereof. The Series 2026 Bonds will bear interest from their date of delivery, and will mature on the dates and in the principal amounts set forth on the inside cover page hereof, subject to the rights of prior redemption described herein.

Interest on the Series 2026 Bonds is payable on May 1 and November 1 of each year, commencing November 1, 2026. The record date for the payment of such interest on the Series 2026 Bonds is the close of business on the fifteenth day of the month immediately preceding such interest payment date. As described in Appendix G – “BOOK-ENTRY ONLY SYSTEM,” principal of and interest on the Series 2026 Bonds are payable directly to DTC

(defined below) by the State Treasurer. Upon receipt of payments of principal and interest, DTC is to in turn remit such principal and interest to the Direct Participants in DTC for disbursement to the Beneficial Owners of the Series 2026 Bonds.

The Series 2026 Bonds will bear interest at the rates set forth on the inside cover page hereof. The Series 2026B-1 Bonds, Series 2026B-2 Bonds and Series 2026B-3 Bonds will initially bear interest at a Term Rate for the Initial Term Rate Period commencing on the Date of Issuance and ending on the day immediately preceding the applicable Term Rate Scheduled Mandatory Tender Date as set forth on the inside cover page hereof. Additional terms of the Series 2026B Bonds are set forth in Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Provisions Applicable to the Series 2026B Bonds.” The Series 2026B Bonds are subject to adjustment to another interest rate period, as further described herein. **THIS OFFICIAL STATEMENT IS NOT INTENDED TO AND DOES NOT PROVIDE INFORMATION WITH RESPECT TO THE SERIES 2026B BONDS AFTER ADJUSTMENT TO ANY NEW INTEREST RATE PERIOD.**

Book Entry Only System

The Depository Trust Company (“DTC”) will act as securities depository for the Series 2026 Bonds. The ownership of one fully registered Series 2026 Bond for each maturity in each series set forth beginning on the inside cover page hereof, in the aggregate principal amount of the Series 2026 Bonds maturing on that date, will be registered in the name of Cede & Co., as nominee of DTC. See Appendix G – “BOOK-ENTRY ONLY SYSTEM” for a description of DTC and the Book Entry Only System.

Redemption – Series 2026A Bonds*

Series 2026A Bonds — Optional Redemption. The Series 2026A Bonds maturing on or before November 1, 20__ are not subject to redemption prior to their respective stated maturities. The Series 2026A Bonds maturing on or after November 1, 20__ are subject to redemption prior to their respective stated maturities, at the option of the Board, from lawfully available funds deposited in the Optional Redemption Account, as a whole or in part on any date, on or after ____ 1, 20__ (in such order of maturity as shall be selected by the Board in a written order of the Board filed with the State Treasurer and by lot within a maturity) at a price of the par amount thereof, without premium, together with accrued interest to the date fixed for redemption.

Series 2026A Bonds — Sinking Account Redemption. The Series 2026A Bonds maturing on November 1, 20__ are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, from Mandatory Sinking Account Payments in the following amounts, commencing on November 1, 20__ according to the following schedule:

**Schedule of Mandatory Sinking Account Payments
Series 2026A Bonds Maturing November 1, 20__**

Redemption Date <u>(November 1)</u>	Principal <u>Amount</u>
	\$

*

* Maturity

Series 2026A Bonds — Notice of Redemption. If DTC or its nominee is the registered owner of any Series 2026A Bond to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such Series 2026A Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any Series 2026A Bond to be redeemed shall not affect the validity of the redemption of such Series 2026A Bond.

* Preliminary, subject to change.

Notice of redemption shall be given by mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, to the respective registered owners of any Series 2026A Bonds designated for redemption at their addresses appearing on the bond registration books of the State Treasurer. Each notice of redemption shall state the date fixed for redemption, the place or places of redemption, and, as further described in the following paragraph, if such funds are not then held by the State Treasurer, that such redemption will be cancelled if the funds are not held by the State Treasurer on the date fixed for redemption, the maturities, and, if less than all of any such maturity, the distinctive numbers of the Series 2026A Bonds of such maturity, to be redeemed and, in the case of Series 2026A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall also state that on said date there will become due and payable on each of said Series 2026A Bonds the principal thereof or of said specified portion of the principal thereof, in the case of a Series 2026A Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue, and shall require that such Series 2026A Bonds be then surrendered.

With respect to any notice of optional redemption of Series 2026A Bonds, such notice may state that such redemption shall be conditional upon the receipt by the State Treasurer on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Series 2026A Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the State Treasurer shall not be required to redeem such Series 2026A Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the State Treasurer shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Notice of redemption of the Series 2026A Bonds shall be given by the State Treasurer for and on behalf of the Board. Any failure of the State Treasurer to mail notice of redemption of any Series 2026A Bond to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for redemption of any other Series 2026A Bond.

Selection of Series 2026A Bonds for Redemption. Under the Indenture, the Series 2026A Bonds that are subject to optional redemption may be selected for such redemption in such amounts and order of maturity or Mandatory Sinking Account Payment of Outstanding Series 2026A Bonds as shall be selected by the Board. Whenever provision is made in the Indenture for the redemption of the Series 2026A Bonds or a portion thereof by lot, and less than all of the Series 2026A Bonds or portion thereof are called for redemption, and if the Series 2026A Bonds are in book-entry form at the time of such redemption, the State Treasurer shall provide written notice to DTC in accordance with the Indenture and the DTC Letter of Representations of the Board on file with DTC. Notwithstanding the foregoing, if the Series 2026A Bonds of any maturity are to be redeemed prior to maturity and if the Series 2026A Bonds are not then in book-entry form at the time of such redemption, on each redemption date, the State Treasurer shall select the Series 2026A Bonds to be redeemed, from the Outstanding Series 2026A Bonds or portion thereof not previously called for redemption, by lot in any manner which the State Treasurer in the State Treasurer's sole discretion shall deem appropriate and fair.

Applicability of DTC Procedures. As described in Appendix G – “BOOK-ENTRY ONLY SYSTEM,” DTC shall select Series 2026A Bonds for redemption in accordance with its customary practices and procedures and neither the Board nor the State Treasurer shall have any responsibility to ensure that DTC has properly selected such Series 2026A Bonds for redemption.

Effect of Redemption of Series 2026A Bonds. Notice of redemption having been duly given as provided in the Indenture, and moneys for payment of the interest accrued to the date fixed for redemption on the Series 2026A Bonds (or portions thereof) so called for redemption being held by the State Treasurer, on the date fixed for redemption designated in such notice the Series 2026A Bonds (or portions thereof) so called for redemption shall become due and payable at the principal amount specified in such notice and interest accrued thereon to the date fixed for redemption, interest on the Series 2026A Bonds (or portions thereof) so called for redemption shall cease to accrue, said Series 2026A Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Holders of said Series 2026A Bonds shall have no rights in respect thereof except to receive payment of said principal amount and accrued interest.

Redemption – Series 2026B Bonds*

Series 2026B Bonds—Optional Redemption. Each Subseries of the Series 2026B Bonds is subject to redemption, at the option of the Board, in whole or in part, during the initial Term Rate Period on the applicable Term Rate Call Protection Date or any Business Day thereafter, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, if any, without premium.

Series 2026B Bonds — Notice of Redemption.

If DTC or its nominee is the registered owner of any Series 2026B Bond to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such Series 2026B Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any Series 2026B Bond to be redeemed shall not affect the validity of the redemption of such Series 2026B Bond.

Notice of redemption of the Series 2026B Bonds or any Subseries thereof shall be given by mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, to the respective registered owners of any Series 2026B Bonds designated for redemption at their addresses appearing on the bond registration books of the State Treasurer. Each notice of redemption shall state the date fixed for redemption, the place or places of redemption, and, as further described in the following paragraph, if such funds are not then held by the State Treasurer, that such redemption will be cancelled if the funds are not held by the State Treasurer on the date fixed for redemption, and, if less than all of the Series 2026B Bonds or any Subseries thereof are to be redeemed, the distinctive numbers of the Series 2026B Bonds of such Subseries and maturity to be redeemed and, in the case of Series 2026B Bonds of a maturity to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall also state that on said date there will become due and payable on said Series 2026B Bonds the principal thereof or of said specified portion of the principal thereof, in the case of a Series 2026B Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue, and shall require that such Series 2026B Bonds be then surrendered.

With respect to any notice of optional redemption of Series 2026B Bonds, such notice may state that such redemption shall be conditional upon the receipt by the State Treasurer on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Series 2026B Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the State Treasurer shall not be required to redeem such Series 2026B Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the State Treasurer shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Notice of redemption of the Series 2026B Bonds shall be given by the State Treasurer for and on behalf of the Board. Any failure of the State Treasurer to mail notice of redemption of any Series 2026B Bond to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for redemption of any other Series 2026B Bond.

Selection of Series 2026B Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of the Series 2026B Bonds or a portion thereof by lot, and less than all of the Series 2026B Bonds of such Subseries or portion thereof are called for redemption, and if the Series 2026B Bonds of such Subseries are in book-entry form at the time of such redemption, the State Treasurer shall provide written notice to DTC in accordance with the Indenture and the DTC Letter of Representations of the Board on file with DTC. If less than all of the Series 2026B Bonds or any Subseries thereof are called for redemption, and such Series 2026B Bonds are not then in book-entry form at the time of such redemption, the State Treasurer shall select the Series 2026B Bonds or any given portion thereof to be redeemed, from the Outstanding Series 2026B Bonds of such Subseries not previously called for redemption, by lot in such manner as the State Treasurer may determine. For the purpose of any such selection, the State Treasurer shall assign a separate number for each minimum Authorized Denomination of each Series 2026B Bond of the applicable Subseries of a denomination of more than such minimum; provided that following any such

* Preliminary, subject to change.

selection, both the portion of such Series 2026B Bond to be redeemed and the portion remaining of such Subseries shall be in Authorized Denominations.

Applicability of DTC Procedures. As described in Appendix G – “BOOK-ENTRY ONLY SYSTEM,” DTC shall select Series 2026B Bonds for redemption in accordance with its customary practices and procedures and neither the Board nor the State Treasurer shall have any responsibility to ensure that DTC has properly selected such Series 2026B Bonds for redemption.

Effect of Redemption of Series 2026B Bonds. Notice of redemption having been duly given as provided in the Indenture, and moneys for payment of the interest accrued to the date fixed for redemption on, the Series 2026B Bonds (or portions thereof) so called for redemption being held by the State Treasurer, on the date fixed for redemption designated in such notice the Series 2026B Bonds (or portions thereof) so called for redemption shall become due and payable at the principal amount specified in such notice and interest accrued thereon to the date fixed for redemption, interest on the Series 2026B Bonds (or portions thereof) so called for redemption shall cease to accrue, said Series 2026B Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Holders of said Series 2026B Bonds shall have no rights in respect thereof except to receive payment of said principal amount and accrued interest.

Mandatory Tender of Series 2026B Bonds

Each Subseries of the Series 2026B Bonds are subject to mandatory tender for purchase at a Purchase Price equal to 100% of the principal amount thereof, plus accrued interest to the Purchase Date, on the applicable Term Rate Scheduled Mandatory Tender Date. Failure to pay the Purchase Price of all such Series 2026B Bonds (or Subseries thereof) tendered on a Term Rate Scheduled Mandatory Tender Date does not constitute an Event of Default. The owner of any Series 2026B Bonds subject to mandatory tender may not elect to retain such Series 2026B Bonds and is required to tender such Series 2026B Bond on the related Purchase Date. In the event of a failure to pay the Purchase Price of all of such Series 2026B Bonds of a Subseries tendered for purchase on an applicable Term Rate Scheduled Mandatory Tender Date, a Term Rate Delayed Remarketing Period shall commence on such date as provided in the Indenture.

Following the Term Rate Call Protection Date, the Interest Rate Period for a Subseries of the Series 2026B Bonds may be adjusted to another interest rate period, on any date on which such Series 2026B Bonds are subject to optional redemption as provided above, in which event such Series 2026B Bonds shall be subject to mandatory tender for purchase at the Purchase Price set forth above. **THIS OFFICIAL STATEMENT IS NOT INTENDED TO AND DOES NOT PROVIDE INFORMATION WITH RESPECT TO THE SERIES 2026B BONDS AFTER ADJUSTMENT TO ANY NEW INTEREST RATE PERIOD.** See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Provisions Applicable to the Series 2026B Bonds – Mandatory Tender of the Series 2026B Bonds.”

Defeasance

The Indenture provides that Series 2026 Bonds may be paid by the Board (i) by paying or causing to be paid the principal and interest on Outstanding Series 2026 Bonds as and when the same become due and payable; (ii) by depositing with the State Treasurer, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Indenture) to pay or redeem Outstanding Series 2026 Bonds; or (iii) by delivering to the State Treasurer, for cancellation by it, Outstanding Series 2026 Bonds, provided in each case that the Board also pays or causes to be paid any other sums payable under the Indenture by the Board related to the Series 2026 Bonds. See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Defeasance.”

SECURITY FOR THE SERIES 2026 BONDS

Limited Obligations

As described in this section, the Series 2026 Bonds are limited obligations of the Board, payable from Gross Revenues and other amounts pledged under the Indenture. The Series 2026 Bonds will not constitute a liability of or a lien upon the funds or property of the State of California or of the Board, except to the extent of the aforementioned pledge under the Indenture. The owners of the Series 2026 Bonds shall have no right to compel any exercise of the

taxing power of the State of California, and neither the payment of any principal of the Series 2026 Bonds nor any interest thereon constitutes a debt, liability or obligation of the State of California. The Board has no taxing power.

Pledge

The Series 2026 Bonds, together with all other Systemwide Revenue Bonds issued and outstanding under the Indenture will be secured solely by the Gross Revenues and other amounts pledged under the Indenture. See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Pledge and Assignment; Gross Revenue Fund; Revenue Fund.”

Gross Revenues. As defined in the Indenture, Gross Revenues means (i) all income, rentals, fees, rates, charges, insurance proceeds, condemnation proceeds and other moneys derived from the ownership or operation of the Projects, but excluding any refundable deposits, fines or forfeitures or operating revenues from student unions or student centers that are not mandatory student center fees, and (ii) any other revenues, receipts, income or other moneys from time to time designated by the Board for the payment of principal of and interest on the Systemwide Revenue Bonds. In 2016, the Tuition Fee (previously known as the State University Fee), which is the basic enrollment charge paid by all students who attend CSU, was designated by the Board as additional Gross Revenues under the Indenture to secure all Systemwide Revenue Bonds.

The term “Projects,” as defined in the Indenture, means, on any given date, (i) all of the housing, parking, student union, student center, student health center and continuing education facilities owned or operated by the Board and (ii) any other facilities designated by the Board as Projects under the Indenture in a Certificate of the Board filed with the State Treasurer, except in all cases the Excluded Facilities. In 2015, the Board began designating certain Academic Facilities as Projects under the Indenture.

“Excluded Facilities” means any facilities which may be designated from time to time by the Board as Excluded Facilities in a Certificate of the Board which is filed with the State Treasurer. There are currently no Excluded Facilities. See “THE PROJECTS – Excluded Facilities.” As more fully described below under the caption “ – Rate Covenant,” the Board has covenanted in the Indenture to set rates, charges and fees for Projects at levels necessary to meet debt service obligations of the Systemwide Revenue Bonds.

Gross Revenues consist primarily of mandatory and user fees collected from students attending CSU universities and the Tuition Fee. For a description of the fees and certain other amounts constituting Gross Revenues, their method of collection and recent historical collections, see Appendix A – “CALIFORNIA STATE UNIVERSITY – SYSTEMWIDE REVENUE BOND PROGRAMS” and “– FINANCIAL INFORMATION RELATED TO SYSTEMWIDE REVENUES.”

Prior to the occurrence of an Event of Default under the Indenture, amounts in the Gross Revenue Fund, established pursuant to the Indenture comprised of funds and accounts into which Gross Revenues are deposited, may be used and withdrawn by the Board at any time for any lawful purpose. In the case of an Event of Default, amounts in the Gross Revenue Fund will be used to pay certain expenses, including Maintenance and Operating Expenses with respect to Projects, before payment of debt service on the Systemwide Revenue Bonds, all as further described in Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Pledge and Assignment; Gross Revenue Fund; Revenue Fund” and “– Application of Gross Revenues and Other Funds After Default.”

Rate Covenant

The Board has covenanted in the Indenture to set rates, charges, and fees for the Projects for the then current Fiscal Year so as to cause Net Income Available for Debt Service to be in an amount at least equal to Aggregate Debt Service for all Indebtedness and Designated Auxiliary Debt for such Fiscal Year. See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Particular Covenants of the Board of Trustees.”

The annual debt service on the Systemwide Revenue Bonds is set forth in Table 9 in Appendix A. The Gross Revenues for the five fiscal years ended June 30, 2025 are summarized by program element in Table 8 in Appendix A. See Appendix A – “CALIFORNIA STATE UNIVERSITY – FINANCIAL INFORMATION RELATED TO SYSTEMWIDE REVENUES” and Appendix C – “AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025.”

Parity Lien Indebtedness; No Senior Lien Indebtedness

Pursuant to the Indenture, the Board may from time to time issue additional series of Systemwide Revenue Bonds to provide funds to pay the costs of acquiring, constructing, financing and refinancing the Projects as determined by the Board and in accordance with the requirements of the Indenture, including the requirements for issuing or incurring Indebtedness secured by a Parity Lien described in the next paragraph. The maximum principal amount of Systemwide Revenue Bonds that may be issued under the Indenture is not limited.

In addition, so long as no Event of Default has occurred or is continuing under the Indenture, the Board may issue or incur Indebtedness secured by a Parity Lien if there is filed with the State Treasurer a Certificate of the Board confirming its expectation that, for the first full Fiscal Year following the date the Project financed or refinanced with the proceeds of such Indebtedness secured by a Parity Lien is placed in service, Net Income Available for Debt Service for such Fiscal Year shall be in an amount at least equal to Aggregate Debt Service for such Fiscal Year on all Indebtedness secured by a Parity Lien and Designated Auxiliary Debt. See Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Particular Covenants of the Board of Trustees.”

The Indenture does not limit the power of the Board to issue or incur (a) any Indebtedness secured by a Subordinate Lien; or (b) any Indebtedness which is not secured by any pledge, lien or encumbrance on Gross Revenues. There is no outstanding Indebtedness of the Board secured by a Senior Lien, and the Board has covenanted in the Indenture that it will not incur Indebtedness secured by a Senior Lien.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES

	Series 2026A Bonds	Series 2026B Bonds	Total
Principal Amount of Bonds	\$	\$	\$
[Net] Original Issue Premium/Discount			
Moneys Related to Bonds to be Refunded and Funds on Hand			
Total Sources of Funds	\$	\$	\$

USES

Series 2026A Project Account ⁽¹⁾	\$	--	\$
Series 2026A Capitalized Interest Account		--	
Escrow Funds for Bonds to be Refunded ⁽²⁾		\$	
Series 2026 Costs of Issuance ⁽³⁾			
Total Uses of Funds	\$	\$	\$

- ⁽¹⁾ Moneys in the Series 2026A Project Account will be used to pay costs of financing and refinancing the Series 2026A Projects listed in Appendix H.
- ⁽²⁾ Proceeds of the Series 2026 Bonds deposited into the escrow funds will be used to defease or repay the Bonds to be Refunded listed in Appendix H.
- ⁽³⁾ Includes Underwriters’ discount and fees and costs of Bond Counsel, Disclosure Counsel and the State Treasurer and rating agency fees, municipal advisor fees and fees of the Tender Agent.

PLAN OF FINANCE*

Projects Financed by Series 2026A Bonds

The Series 2026A Bonds are being issued in part to finance and refinance the acquisition, construction, renovation and improvement of certain facilities of CSU, including to pay costs of issuance of the Series 2026 Bonds (including certain costs related to the refunding described herein), and certain capitalized interest. See “THE

* Preliminary, subject to change.

PROJECTS” below and Appendix H – “PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS” for more information on the projects expected to be financed with proceeds of the Series 2026A Bonds.

Refunding Plan*

A portion of the proceeds of the Series 2026 Bonds is expected to be used to refund certain outstanding Systemwide Revenue Bonds (collectively, the “Bonds to be Refunded”). See Appendix H – “PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS.” The tables and information included in Appendix H are not intended to be a definitive list of the Bonds to be Refunded. The Bonds to be Refunded will be selected based upon market conditions, bond structure, and other factors at the time of pricing. Selection of the Bonds to be Refunded is at the sole and absolute discretion of Board. The proposed refunding is being undertaken to achieve debt service savings. To refund the Bonds to be Refunded, a portion of the proceeds of the Series 2026 Bonds together with certain moneys held in connection with certain of the Bonds to be Refunded, if applicable, will be deposited with the State Treasurer, as trustee for the Bonds to be Refunded, and as escrow agent (as applicable, the “Escrow Agent”), in one or more escrow funds created pursuant to one or more related escrow agreements, expected to be executed and delivered not later than the date of issuance of the Series 2026 Bonds, between the Escrow Agent and the Board. The money so deposited will either be held as cash, uninvested, in an amount sufficient, or be used to purchase defeasance securities as and to the extent permitted under the Indenture, the principal of and interest on which (together with any uninvested cash portion) will be sufficient to pay the principal of and interest on the related Bonds to be Refunded to the redemption date, as shown in Appendix H. Upon such deposit and provision for any required redemption notice, the Bonds to be Refunded will no longer be deemed to be outstanding and will have been defeased in accordance with their respective terms, and the holders of Bonds to be Refunded will thereafter be entitled to payment only from the uninvested cash and the proceeds of the defeasance securities on deposit within the applicable escrow fund established for such Bonds to be Refunded. The cash flow adequacy of the escrow funds will be verified by the certified public accounting firm of Causey Public Finance, LLC. See Appendix H – “PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS.”

THE PROJECTS

General Description

Gross Revenues consist primarily of revenues derived directly from Projects, as more fully described below, and the Tuition Fee.

Projects that contribute toward Gross Revenues include (i) all housing, student union, parking, recreation centers, student health and professional and continuing education facilities owned or operated by the Board, and (ii) other facilities designated by the Board, except, in all cases, facilities designated by the Board as Excluded Facilities. The current Projects are located at all universities within the CSU system and there are currently no Excluded Facilities. Some Projects, such as Academic Facilities, do not independently generate revenues. All Projects are owned by the Board and are operated by CSU or an auxiliary organization. Projects are generally described as follows:

Student Housing: Twenty-one of the universities comprising the CSU system operate, and collect revenues from, the operation of housing facilities under the State University Revenue Bond Act of 1947. Operational capacity by university is set forth in Appendix C – “AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025 –Supplementary Information – Schedule 6.”

Student Union: All universities in the CSU system operate student union facilities and collect student body center fees.

Parking: All universities in the CSU system operate parking lots and/or structures to accommodate students, faculty, staff and visitors. Establishment of parking rates is delegated by the Board to the Chancellor, who further delegates the authority to each respective university president.

* Preliminary, subject to change.

Student Health Facilities: All universities in the CSU system operate student health facilities and collect a health center facility fee.

Professional and Continuing Education (PaCE) Facilities (formerly Extended and Continuing Education Facilities): At each university, CSU offers a variety of PaCE programs including credit degree and certificate programs, off-campus and online programs, professional development, corporate training and programs for international students. Each student enrolling in a continuing education class pays a fee per class collected at the time of registration. See Appendix A – “CALIFORNIA STATE UNIVERSITY – SYSTEMWIDE REVENUE BOND PROGRAMS – Professional and Continuing Education (PaCE).”

Academic Facilities: All universities include, as part of their physical plant, non-revenue generating facilities such as campus infrastructure, academic buildings, administrative buildings, and other capital assets that are essential to CSU’s operations. Certain of these facilities constitute “Projects” under the Indenture, but these Projects do not typically generate revenue independently.

Facilities of Certain Auxiliary Organizations and Other Entities: From time to time, certain facilities serving CSU are owned, operated or financed with the participation of an auxiliary organization or a special purpose governmental unit. See Appendix A – “CALIFORNIA STATE UNIVERSITY – GOVERNANCE AND ADMINISTRATION – University Administration” and “SYSTEMWIDE REVENUE BOND PROGRAMS – Auxiliary Organizations Program and Other Entities.” These facilities may include, but are not limited to, the types of facilities described in Appendix A. In certain cases, a facility financed or refinanced by the Board with Systemwide Revenue Bonds may be leased from the Board, as lessor, to an auxiliary organization or governmental unit, as lessee. Under the terms of the lease, the lessee will agree to operate the facility and to make certain rental payments to the Board which will constitute a portion of the Gross Revenues securing the Systemwide Revenue Bonds. In other cases, the Board may loan proceeds of Systemwide Revenue Bonds to an auxiliary organization to pay for the costs of acquiring or constructing such facilities and such auxiliary organizations will agree to make loan payments to the Board which will constitute Gross Revenues under the Indenture. At the time the lease or loan is entered into, certain lessees or borrowers may have outstanding debt and the obligation to make payments to the Board under the lease or loan may be on a parity with, or junior and subordinate to, such debt of the lessee or borrower. In addition, for certain auxiliary organizations, their debt and revenues may be designated by the Board pursuant to the Indenture as Designated Auxiliary Organizations, Designated Auxiliary Revenues and Designated Auxiliary Debt, respectively, and treated accordingly for purposes of the rate covenant and the additional borrowing test under the Indenture. See “SECURITY FOR THE SERIES 2026 BONDS – Rate Covenant” and “– Parity Lien Indebtedness; No Senior Lien Indebtedness” and Appendix A – “CALIFORNIA STATE UNIVERSITY – SYSTEMWIDE REVENUE BOND PROGRAMS – Auxiliary Organizations Program and Other Entities.” There are currently 15 auxiliary organizations that are Designated Auxiliary Organizations with Designated Auxiliary Revenues and Designated Auxiliary Debt, the same 15 auxiliary organizations that make loan or lease payments that have been designated as Gross Revenues by the Board.

For information on certain approval procedures, the acquisition and construction process and the operation and maintenance of the Projects, see Appendix A – “CALIFORNIA STATE UNIVERSITY—SYSTEMWIDE REVENUE BOND PROGRAMS.”

Excluded Facilities

Under the Indenture, the Board may, at any time, and without the consent of owners of Bonds issued under the Indenture, including the owners of Series 2026 Bonds, designate any existing or future facilities as Excluded Facilities, with the effect that the revenues derived from such Excluded Facilities do not constitute a part of the Gross Revenues. Certain facilities operated by the Board, because they were not a part of the facilities that provide funds for repayment of the Board’s debt programs, have been designated in the past as Excluded Facilities; however, the Board adopted a policy in March 2002 that restricts the Board’s ability to designate Excluded Facilities. While there are currently no Excluded Facilities, this may change in the future from time to time at the discretion of the Board. As more fully described above under the heading “SECURITY FOR THE SERIES 2026 BONDS—Rate Covenant,” the Board has covenanted to set rates, charges and fees for Projects at levels necessary to generate Gross Revenues sufficient to meet debt service obligations of the Systemwide Revenue Bonds.

Effect of Damage to or Loss of Projects

Damage to or destruction of one or more Projects as a result of seismic or other events could result in a reduction in the Gross Revenues collected, and a major disaster could have a material adverse effect on the ability of CSU to collect sufficient Gross Revenues.

Under the Indenture, CSU is required to maintain property and casualty insurance in such amounts and against such risks as are appropriate, as determined by the Board, for facilities of similar size and nature as the Projects, in the event and to the extent that such insurance is customarily maintained by the Board for facilities of similar size and nature as the Projects. See Appendix A – “CALIFORNIA STATE UNIVERSITY – OTHER MATTERS – Insurance” for a description of the insurance currently maintained by CSU and Appendix D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Particular Covenants of the Board of Trustees.” Notwithstanding this insurance program, losses could be incurred due to uninsured events or damage in excess of any coverage then in effect. CSU does not currently insure the Projects against risk of loss due to earthquakes.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Board (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2026 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2026 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix F hereto.

To the extent the issue price of any maturity of the Series 2026A Bonds is less than the amount to be paid at maturity of such Series 2026A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2026A Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2026A Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2026A Bonds is the first price at which a substantial amount of such maturity of the Series 2026A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2026A Bonds accrues daily over the term to maturity of such Series 2026A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2026A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2026A Bonds. Beneficial Owners of the Series 2026A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2026A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2026A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2026A Bonds is sold to the public.

Series 2026 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2026 Bonds. The Board has made

certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2026 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2026 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2026 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2026 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2026 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2026 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future federal or state legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2026 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2026 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2026 Bonds ends with the issuance of the Series 2026 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax-exempt status of the Series 2026 Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2026 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2026 Bonds, and may cause the Board or the Beneficial Owners to incur significant expense.

Payments on the Series 2026 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2026 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series 2026 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2026 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to

backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery by the Board of the Series 2026 Bonds and with regard to the tax status of interest on the Series 2026 Bonds under existing laws are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel, will provide certain other legal services for the Board. The form of opinion Bond Counsel proposes to render with respect to the Series 2026 Bonds is attached as Appendix F hereto.

CONTINUING DISCLOSURE

The Board will covenant for the benefit of the Holders and Beneficial Owners (as defined in the Continuing Disclosure Certificate) of the Series 2026 Bonds to provide certain financial information and operating data relating to CSU by not later than January 1 following the end of CSU's fiscal year (which fiscal year as of the date hereof ends June 30) (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed directly with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report and in the notices of enumerated events is summarized in Appendix E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." Pursuant to the Indenture, failure of the Board to comply with its obligations under the Continuing Disclosure Certificate will not be considered an event of default under the Indenture. However, the Trustee and any Holder or Beneficial Owner (as defined in the Continuing Disclosure Certificate) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under the Continuing Disclosure Certificate.

The Board's Annual Report for the fiscal year ended June 30, 2023 filed on the Electronic Municipal Market Access website ("EMMA") of the Municipal Securities Rulemaking Board initially did not include CSU's audited or unaudited financial statements, which were unavailable at the time of such filing. A notice of failure to provide a complete Annual Report was therefore filed on EMMA on December 21, 2023. CSU's unaudited financial statements for the fiscal year ended June 30, 2023 were filed on EMMA on March 22, 2024. Audited financial statements for the fiscal year ended June 30, 2023 were issued on March 27, 2024, and were filed on EMMA on April 3, 2024.

LEGALITY FOR INVESTMENT

Under provisions of the Act, the Series 2026 Bonds are legal investments in California for commercial and savings banks, all trust funds, for the funds of all insurance companies, trust companies, and for State school funds. Any moneys or funds which may by law be invested in bonds of a county, municipality or school district may be invested in the Series 2026 Bonds, and the Series 2026 Bonds may also be used as security for the deposit of public moneys in banks in California.

LITIGATION

There is no litigation of any nature pending against the Board (with service of process on the Board having been accomplished) as of the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the Series 2026 Bonds, or in any way contesting or affecting the validity of the Series 2026 Bonds or the security thereof, or any proceedings of the Board taken with respect to the issuance or sale thereof. At the time of delivery of the Series 2026 Bonds, the Board expects to furnish a certificate to the effect that no such litigation is then pending.

At any given time, including the present, there are certain other claims and disputes, including those currently in litigation, that arise in the normal course of CSU's activities. Such matters could, if determined adversely to the Board, affect expenditures by the Board, and in some cases, its Gross Revenues. The Board and its General Counsel are of the opinion that no pending actions are likely to have a material adverse effect on the Board's ability to pay the principal of, premium, if any, and interest on the Series 2026 Bonds when due.

RATINGS

The Series 2026 Bonds have been assigned ratings of “Aa2” and “AA-” by Moody’s Ratings and S&P Global Ratings, respectively. Such ratings reflect only the views of the respective rating agencies, and explanations of the significance of the ratings must be obtained from the rating agencies furnishing such ratings. There is no assurance that such ratings will continue for any given period of time or will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of the rating agencies circumstances so warrant. A downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Series 2026 Bonds.

UNDERWRITING

The Series 2026 Bonds are being purchased by an underwriting group represented by Barclays Capital Inc. and Siebert Williams Shank & Co., LLC (collectively called the “Underwriters”) from the State Treasurer, who is authorized pursuant to the Act to sell the Series 2026 Bonds on behalf of the Board. The Underwriters have agreed to purchase the Series 2026 Bonds at a price of \$_____. The price represents the principal amount of the Series 2026 Bonds, plus/less [net] original issue premium/discount of \$_____, less an underwriters’ discount of \$_____. The purchase contract pursuant to which the Series 2026 Bonds are being sold provides that the Underwriters will purchase all of the Series 2026 Bonds if any such Series 2026 Bonds are purchased with the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by counsel and certain other conditions.

Several of the Underwriters have provided letters to the Board and the State Treasurer relating to their distribution practices or other affiliations for inclusion in this Official Statement, which are set forth in Appendix I. The Board does not guarantee the accuracy or completeness of the information contained in such letters and the information therein is not to be construed as a representation of the Board or any Underwriter other than the Underwriter providing such representation.

MUNICIPAL ADVISOR

The Board has entered into an agreement with KNN Public Finance, LLC (the “Municipal Advisor”), whereunder the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the Series 2026 Bonds, timing of sale, bond market conditions, costs of issuance and other factors related to the sale of the Series 2026 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement.

TENDER AGENT

U.S. Bank Trust Company, National Association, has been appointed as initial Tender Agent with respect to the Series 2026B Bonds (the “Tender Agent”). The Tender Agent has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for its contents. U.S. Bancorp Investments, Inc., which is serving as an underwriter of the Series 2026 Bonds, is an affiliate of the Tender Agent.

FINANCIAL INTERESTS

The fees payable to the Underwriters, Underwriters’ Counsel, Bond Counsel, Disclosure Counsel and the Municipal Advisor are contingent upon the issuance of the Series 2026 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Public Finance, LLC (the “Verification Agent”), a firm of independent public accountants, will deliver to the Board, on or before the date of issuance of the Series 2026 Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Defeasance Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Bonds to be Refunded.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Board and its representatives. The Verification Agent will restrict its procedures to recalculating the computations provided by the Board and its representatives and will not evaluate or examine the assumptions or information used in the computations.

AUDITED FINANCIAL STATEMENTS

The audited financial statements for Fiscal Year 2024-25 for CSU included in Appendix C of this Official Statement have been audited by KPMG LLP (the “Auditor”), certified public accountants, independent auditor, as stated in its report included in Appendix C herein. Gross Revenues and certain other financial information relating to the Systemwide Revenue Bond program are presented in the form of supplemental schedules to the combined financial statements of the Board. No opinion is expressed by the Auditor with respect to any event subsequent to its report dated November 24, 2025 to the Board. The Auditor, as independent auditor, has not been engaged to perform and has not performed, since the date of its report included in Appendix C herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement. Except as disclosed herein, CSU believes that there has not been any material adverse change in the financial condition of CSU since June 30, 2025.

Financial statements with detailed information on the universities can be found at:

<https://www.calstate.edu/csu-system/transparency-accountability/Pages/financial-statements.aspx>

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Series 2026 Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Board.

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

By: _____

Dr. Mildred García
Chancellor

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APPENDIX A

CALIFORNIA STATE UNIVERSITY

APPENDIX A
CALIFORNIA STATE UNIVERSITY
TABLE OF CONTENTS

	Page
GENERAL	A-1
Education Program	A-1
Accreditation	A-2
GOVERNANCE AND ADMINISTRATION	A-2
The Board of Trustees	A-2
Central Administration	A-3
University Administration	A-4
Student Involvement in Governance	A-4
THE CSU SYSTEM AND UNIVERSITIES	A-5
Enrollment	A-5
Social Diversity	A-6
Student Tuition Fees and Other Education Costs	A-7
Revenue Management and Investments	A-8
Student Admissions	A-10
CSU AND RELATED ENTITY INDEBTEDNESS	A-11
Commercial Paper	A-12
Authorized but Unissued Debt	A-12
Capital Improvement Program	A-12
SYSTEMWIDE REVENUE BOND PROGRAMS	A-13
Debt Management Program	A-13
Housing Program	A-13
Student Union Program	A-15
Parking Program	A-15
Health Center Facilities Program	A-15
Professional and Continuing Education (PaCE)	A-16
Auxiliary Organizations Program and Other Entities	A-16
Tuition Fees	A-17
FINANCIAL INFORMATION RELATED TO SYSTEMWIDE REVENUES	A-17
Financial Statements Related to Gross Revenues	A-20
GENERAL CSU FINANCIAL INFORMATION	A-20
Budgeting Process	A-20
State Budget Acts for Recent Fiscal Years	A-21
State Budget for Fiscal Year 2025-26	A-21
State Budget for Fiscal Year 2026-27	A-22
CSU Financial Statements	A-22
CSU Grants, Contracts and Fundraising Activity	A-22
CSU Endowment Assets	A-23
OTHER MATTERS	A-23
Insurance	A-23
Climate Change	A-23
CSU and Climate Action: Systemwide Carbon Reduction Strategies	A-24
Cybersecurity	A-25
COVID-19 Related Litigation	A-25
Impact of Federal Policy Changes	A-25
Audits, Compliance Reviews and Other Inquiries	A-26
Seismicity	A-26
Labor Relations	A-26
Retirement System	A-27
Postretirement Healthcare Plan and Social Security	A-28

APPENDIX A

CALIFORNIA STATE UNIVERSITY

GENERAL

California State University (“CSU”) is the nation’s largest and one of the most affordable systems of public higher education, serving approximately 470,000 students and employing approximately 64,800 faculty and staff. CSU spans the entire State of California (the “State”) and includes the State’s oldest public higher education institution. With approximately 123,000 degrees conferred annually and more than 4.5 million alumni, one in ten employees in California is a CSU graduate. Its annual budget for fiscal year 2025-26 was \$14.3 billion. CSU’s administrative offices are located in Long Beach, California.

The CSU System (“CSU System”) is an agency of the State created by the Donahoe Higher Education Act of 1960, which reorganized higher education in California. At that time, twelve existing schools, previously under the jurisdiction of the State Board of Education, were brought under the stewardship of the Board of Trustees (the “Board”). Until recently, there were 23 universities and seven off campus centers in the CSU System. See Appendix B for an overview of each university. However, in November 2024 the Board approved the integration of two of the universities, California State University Maritime Academy (“CSU Maritime”) and California Polytechnic State University, San Luis Obispo, as a result of declining enrollment and unsustainable fiscal circumstances at CSU Maritime. Phased integration began in 2025, and the two institutions began operating under as a single university, Cal Poly, under one president as of July 1, 2025, with CSU Maritime currently referred to as Cal Poly Maritime Academy. Full integration is expected to be complete by Fall 2026. See “THE CSU SYSTEM AND UNIVERSITIES – Enrollment” in this Appendix A.

Education Program

The educational responsibilities of CSU are to provide undergraduate and graduate instruction through bachelor’s and master’s degrees in the liberal arts and sciences, in applied fields, and the professions. The 22 universities of the CSU offer more than 4,000 undergraduate and graduate degrees through both classroom and online instruction, as well as nursing degrees and teaching credentials. Over 60 doctoral degrees are offered independently or jointly with the University of California and certain private institutions in California, including Doctor of Education (Ed.D.), Doctor of Nursing Practice (DNP), and Doctor of Physical Therapy (DPT). CSU is home to all three of the State’s polytechnic universities, California Polytechnic State University, San Luis Obispo, California State Polytechnic University, Pomona and California State Polytechnic University, Humboldt.

The mission statement of CSU lists the following general objectives:

- To advance and extend knowledge, learning, and culture, especially throughout California.
- To provide opportunities for individuals to develop intellectually, personally, and professionally.
- To prepare significant numbers of educated, responsible people to contribute to California’s schools, economy, culture, and future.
- To encourage and provide access to an excellent education to all who are prepared for and wish to participate in collegiate study.
- To offer undergraduate and graduate instruction leading to bachelor’s and higher degrees in the liberal arts and sciences, the applied fields, and the professions, including doctoral degrees when authorized.
- To prepare students for an international, multi-cultural society.
- To provide public services that enrich the university and its communities.

Accreditation

The regional accrediting body for California, Hawaii, and certain Pacific Islands is the Western Association of Schools and Colleges (“WASC”), which is one of the six major regional college accreditation agencies in the United States. WASC’s Senior College and University Commission (“WSCUC”) has granted institutional accreditation to all 22 CSU universities on an individual basis.

GOVERNANCE AND ADMINISTRATION

The Board of Trustees

The Board of Trustees is responsible for the oversight of the CSU System. Currently, California law requires 25 trustees for the California State University, all of whom are full voting members. Appointments are for eight years, except for the two Student Trustees, the Alumni Trustee and the Faculty Trustee, whose terms are for two years. After the expiration of their terms, Trustees (except for Alumni Trustee) may remain on the Board until a replacement is named; provided, however, that a Trustee subject to State Senate confirmation may not remain on the Board longer than 60 days without reappointment, student trustees no longer than six months and the Faculty Trustee no longer than one additional year. All appointments, except for the Student, Alumni, and Faculty Trustees, must be confirmed by the State Senate. Student trustees are appointed by the Governor from nominees proposed by the California State Student Association and serve staggered two-year terms.

Five Trustees are ex officio members: the Governor of the State (the “Governor”), the Lieutenant Governor, the Speaker of the Assembly, the State Superintendent of Public Instruction and the Chancellor. Nineteen of the Trustees are appointed by the Governor for staggered terms of office, while the Alumni Trustee is appointed by the CSU Statewide Alumni Council.

The Governor is designated as the President of the Board. The Executive Vice Chancellor of Business and Finance and Chief Financial Officer, serves as Treasurer. The Executive Vice Chancellor and General Counsel serves as Secretary.

The following individuals currently serve as members of the governing Board of CSU:

The Honorable Gavin Newsom	<i>Governor of California</i>
The Honorable Eleni Kounalakis	<i>Lieutenant Governor</i>
The Honorable Robert Rivas	<i>Speaker of the Assembly</i>
The Honorable Tony K. Thurmond	<i>State Superintendent of Public Instruction</i>
Dr. Mildred García	<i>CSU Chancellor</i>
Diego Arambula	<i>Chair, CSU Board of Trustees</i>
Raji Kaur Brar	<i>Vice Chair, CSU Board of Trustees</i>
Larry L. Adamson	<i>Alumni, CSU Board of Trustees</i>
Jack B. Clarke, Jr.	<i>Member, CSU Board of Trustees</i>
Kelly M. Dermody	<i>Member, CSU Board of Trustees</i>
Andrea C. Evans	<i>Member, CSU Board of Trustees</i>
Carson Fajardo	<i>Student, CSU Board of Trustees</i>
Wenda Fong	<i>Member, CSU Board of Trustees</i>
Mark Ghilarducci	<i>Member, CSU Board of Trustees</i>
Leslie Gilbert-Lurie	<i>Member, CSU Board of Trustees</i>
Jazmin Guajardo*	<i>Student, CSU Board of Trustees</i>
Julia I. Lopez	<i>Member, CSU Board of Trustees</i>
Jack McGrory	<i>Member, CSU Board of Trustees</i>
Sam Nejabat	<i>Member, CSU Board of Trustees</i>
Dr. Yammilette Rodriguez	<i>Member, CSU Board of Trustees</i>
Dr. Darlene Yee-Melichar**	<i>Faculty, CSU Board of Trustees</i>

* By operation of California Education Code, office continues beyond June 30, 2026 expiration of term pending appointment of successor.

** A grace period following end of term expires on June 30, 2026, and position will be vacant as of July 1, 2026, pending appointment of a successor by the Governor.

Central Administration

The Board appoints the Chancellor and the Vice Chancellors of the CSU System, and the President of each university, each of whom is the Chief Executive Officer of the respective university. The Board, the Chancellor, the Vice Chancellors, and the Presidents develop systemwide policy that is implemented at the university level through broad-based consultative procedures. Principal staff members of the CSU System are located in the CSU administrative office in Long Beach. They include:

Dr. Mildred García, Chancellor and ex officio member of the Board of Trustees, began her tenure as the California State University's 11th Chancellor on October 1, 2023. She is the first Latina to lead the nation's largest and most diverse four-year public university system. Prior to her appointment, Dr. García served as president of the American Association of State Colleges and Universities since 2018, where she was a strong and internationally renowned advocate for public higher education, working to influence federal policy and regulations on behalf of 350 member colleges and universities. She also served as president of California State University, Fullerton, from 2012 to 2018, during which time she led the university to record improvements in graduation rates and nearly tripled new philanthropic gift commitments. Dr. García served as president of California State University, Dominguez Hills, from 2007 to 2012, where she held the distinction of being the CSU's first Latina president. At CSU Dominguez Hills, she dramatically increased retention rates for freshman and transfer students and eliminated a structural deficit of \$2.8 million. Dr. García received her associate degree from New York City Community College, a bachelor's in business education from Bernard M. Baruch College and a master's in business education from New York University. At Teachers College, Columbia University, she earned a master's and a doctorate in higher education administration.

Patrick Lenz, Interim Executive Vice Chancellor of Business and Finance and Chief Financial Officer, started in this role on July 1, 2025, following the retirement on June 30, 2025 of Steve Relyea, who had previously held the position for 11 years. Mr. Lenz has been involved with California operating budgets, capital outlay issues and various State financing projects for over 40 years, including more than 30 years in public higher education, having represented the California Community Colleges, the University of California, and the CSU on these issues before the Governor and the legislature. Prior to his current appointment, Mr. Lenz was at the Chancellor's Office from 2004 through 2008 as Assistant Vice Chancellor for Budget and has recently served as an advisor to the Chancellor.

Dawn S. Theodora, Interim Executive Vice Chancellor, General Counsel and Secretary of the Board, leads the Office of General Counsel ("OGC") and oversees all legal services for CSU's 22 universities, the Chancellor, the Chancellor's Office, and the Board of Trustees. OGC is a large team that provides legal support across areas such as student affairs, human resources, civil rights, finance, external relations, and litigation. Ms. Theodora joined CSU in 2001 after beginning her legal career as a litigation associate with Keesal, Young & Logan. A proud first-generation college graduate, Ms. Theodora earned a B.A. in History from the University of California, Irvine, and a J.D. from the University of San Diego.

Dr. Dave Grant was appointed Interim Vice Chancellor and Chief Human Resources Officer beginning in April 2026, and is expected to serve in that capacity until completion of a national search for a permanent appointment. Prior to joining CSU in 2024 as associate vice chancellor for systemwide Human Resources, Dr. Grant served as Chief Human Resources Officer at Biola University, where he provided strategic human resources and leadership supporting more than 1,500 faculty and staff and over 6,000 students.

Vlad Marinescu, Vice Chancellor and Chief Audit Officer, was appointed in July 2020. Mr. Marinescu oversees the CSU's Division of Audit and Advisory Services for the CSU System and its auxiliary organizations. Prior to joining CSU, Mr. Marinescu served in a variety of roles for Mattel, including as Director, Internal Audit. Mr. Marinescu also previously served as a senior auditor for the Long Beach City Auditor's Office.

Greg Saks, Vice Chancellor External Relations and Communications, was appointed in February 2024. Mr. Saks has more than 30 years of leadership experience in higher education stakeholder engagement, philanthropic development, government advocacy and strategic communications. Before joining the Chancellor's Office, Mr. Saks served as Vice President for University Advancement at California State University, Fullerton, and was the Executive Director of the Cal State Fullerton Philanthropic Foundation. Prior to that, Mr. Saks served in leadership roles at California State University, Dominguez Hills, Pitzer College, Baylor University, and California State Polytechnic University, Pomona. Mr. Saks holds a bachelor's degree in history with a minor in communications from California

State University, San Bernardino and a master's degree in higher education administration from Miami University of Ohio.

Dr. Junius J. Gonzales, Vice Chancellor, Academic Affairs and Chief Academic Affairs Officer, was appointed in October 2025. Dr. Gonzales serves as the chief academic officer for the CSU system and provides comprehensive operational leadership, strategy, compliance, oversight and direction for the Academic Affairs divisions across the system's universities. He serves as a key policy advisor to the Chancellor and as a partner to university presidents, faculty, staff and other leaders throughout the system. Prior to joining CSU, Dr. Gonzales held senior academic leadership roles at several institutions, including Provost and Senior Vice President for Academic Affairs at Montclair State University, as well as leadership positions with the University of North Carolina system, New York Institute of Technology, and the University of Texas at El Paso. He has also worked at the National Institutes of Health and for global research and consulting firm Abt Global. Dr. Gonzales earned his bachelor's degree from Brown University, his M.D. from the University of Pennsylvania School of Medicine and his MBA from Robert H. Smith School of Business at the University of Maryland.

Dr. Dilcie D. Perez, Vice Chancellor of Strategic Enrollment Management and Student Success, was appointed in March 2026 to provide executive leadership over the areas of student success and inclusive excellence; student affairs, equity and belonging; strategic enrollment management and international education. Dr. Perez has more than 23 years of experience in student affairs, including prior leadership roles at the Cerritos Community College District, Mira Costa Community College District, and Cal State San Marcos. Dr. Perez holds an Ed.D. in Educational Leadership from San Diego State University, a master's degree in administration from Central Michigan University and a bachelor's degree in political science from Cal State San Marcos.

University Administration

University presidents are the chief executive officers of their respective institutions. They report to the Chancellor and the Board and are responsible for all university activities, including educational activities funded from State appropriations and a variety of support activities funded from non-State resources. As a result, university presidents are required to develop and oversee all non-State self-supporting services and programs.

The laws applicable to CSU include provisions for the establishment of auxiliary organizations, which are chartered by their respective university to perform many non-State self-supporting activities under the supervision of their respective university president. Due to restrictions on the use of State funds, activities conducted by the auxiliary organizations must be self-supporting. As of June 30, 2025, there are 93 organizations, of which 89 are auxiliary organizations that operate pursuant to special written agreements with their respective university and perform specific functions that contribute to the educational mission of the university. They are subject to certain specific statutes, regulations and policies established by the Board, the Chancellor, and the university presidents; almost all auxiliary organizations are classified as non-profit for tax purposes. Revenue in excess of expenditures for a given fiscal year is used to establish working capital and reserves and to pay for capital expenditures or special programs as developed through a program budget review process. Auxiliary organization financial activity is audited annually and incorporated in the CSU audited financial statements. For additional information, see Appendix C — "AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025."

Student Involvement in Governance

The CSU values shared governance involving its student body. Pursuant to Board of Trustees Student Participation Policy Development resolution dated July 11, 2001, each university is responsible for ensuring that associated student body organizations are involved in university policy development as full participants. The policy requires that associated student body organizations established at each university shall serve as the official representative body of the students at the universities. The university presidents are required to provide these organizations opportunities to offer opinions and make recommendations about university policy and procedures that have or will have an effect upon students. Additionally, the Board includes two voting student trustees appointed by the Governor as described above, who serve in staggered two-year terms.

THE CSU SYSTEM AND UNIVERSITIES

Enrollment

The following table sets forth Fall enrollment figures for each CSU university for Fall 2021 to Fall 2025.

TABLE 1
CALIFORNIA STATE UNIVERSITY
SIZE AND ENROLLMENT
2021-22 through 2025-26⁽¹⁾

Present Name	Date Institution Opened	Size of University Including Agricultural & Reserve (Acres)	Fall Enrollment (Headcount) ⁽¹⁾				
			2021	2022	2023	2024	2025
CSU, Bakersfield	1970	376	10,624	9,261	9,399	10,036	11,195
CSU Channel Islands	2002	1,189	6,437	5,643	5,127	4,880	4,924
CSU, Chico	1889	776	15,421	13,840	13,999	14,581	14,823
CSU, Dominguez Hills	1965	356	16,916	15,530	14,299	14,262	14,462
CSU, East Bay	1959	355	13,499	12,080	11,771	10,892	10,911
CSU, Fresno	1911	1,397	24,946	23,929	23,832	24,310	24,992
CSU, Fullerton	1959	241	40,087	39,729	41,326	42,999	45,147
California State Polytechnic University, Humboldt	1914	231	5,739	5,858	5,976	6,045	6,276
CSU, Long Beach	1949	319	39,434	38,270	39,530	41,189	42,173
CSU, Los Angeles	1947	160	27,029	26,027	24,673	22,740	21,708
CSU, Monterey Bay	1995	1,054	6,995	6,539	6,271	7,302	7,817
CSU, Northridge	1958	338	38,551	36,123	36,368	36,848	36,960
California State Polytechnic University, Pomona	1938	1,302	29,103	27,173	26,415	27,196	27,221
CSU, Sacramento	1947	294	31,573	30,883	30,193	30,883	31,274
CSU, San Bernardino	1965	442	19,182	19,467	18,510	17,900	19,049
San Diego State University	1897	539	35,732	36,637	37,538	39,373	41,184
San Francisco State University	1899	163	26,620	25,046	23,700	22,357	20,713
San Jose State University	1862	150	33,848	32,432	32,229	33,158	35,298
Cal Poly San Luis Obispo ⁽²⁾	1901	5,965	22,908	22,586	23,040	23,646	24,065
CSU, San Marcos	1990	303	14,503	13,469	13,932	14,655	15,441
Sonoma State University	1961	4,216	7,182	6,483	5,865	5,784	5,000
CSU, Stanislaus	1960	227	10,028	9,738	9,440	9,295	9,398
Total:			<u>476,357</u>	<u>456,743</u>	<u>453,433</u>	<u>460,331</u>	<u>470,031</u>

⁽¹⁾ The above data include undergraduate, post-baccalaureate and graduate students but exclude the non-campus programs of CalState Teach and International Studies, which for Fall 2025 had enrollments of 999 and 421 students, respectively.

⁽²⁾ Includes California Polytechnic State University, San Luis Obispo and California State University Maritime Academy, which began the process of operating as one university, Cal Poly, in July 2025.

Source: California State University

After enrollment declines from Fall 2020 through Fall 2023, in Fall 2024 and Fall 2025, total enrollment increased by approximately 1.5% and 2.1% respectively, over the previous year; however, enrollment trends vary among universities.

In November 2024, the Board approved the integration of California State University Maritime Academy (“CSU Maritime”) and California Polytechnic State University, San Luis Obispo (“Cal Poly San Luis Obispo”) to provide a long-term solution to fiscal challenges facing CSU Maritime, relating to declining enrollment, depleted reserves and rising operating and compensation costs that made it unviable for CSU Maritime to continue as a standalone institution despite the university having undertaken significant cost-cutting measures. Once the phased integration process is complete, which is expected at the start of the 2026-2027 academic year, the universities are

planned to function as a single institution with a new governance structure under the leadership of the Cal Poly San Luis Obispo president. The administrative integration phase was completed in July 2025, with academic and enrollment integration expected in Fall 2026. Integrating the two universities is expected to strengthen their complementary work and programs and provide new opportunities for students and faculty, in addition to generating savings over time from administrative efficiencies and shared resources. Thirty-five million dollars in one-time funds to support the integration is expected to be distributed over a seven-year period, a portion of which is expected to be used for financial aid and scholarships to support low-income and historically underrepresented students.

Each CSU university has the ability to seek adjustments to student fees and other charges constituting Gross Revenues in order to mitigate adverse effects of declining enrollment on Gross Revenues. See Table 8.

Table 2 below sets forth total enrollment and full-time undergraduate enrollment information for CSU and the University of California for Fall 2021 to Fall 2025.

**TABLE 2
ENROLLMENT IN
PUBLIC UNIVERSITIES IN CALIFORNIA
2021-22 through 2025-26⁽¹⁾**

	Fall 2021		Fall 2022		Fall 2023		Fall 2024		Fall 2025	
	Full Time Undergrad ⁽²⁾	Total	Full Time Undergrad ⁽²⁾	Total	Full Time Undergrad ⁽²⁾	Total	Full Time Undergrad ⁽²⁾	Total	Full Time Undergrad ⁽²⁾	Total
California State University	352,106	476,357	335,301	456,743	337,070	453,433	345,193	460,331	354,064	470,031
University of California	230,529	294,662	230,407	294,309	233,272	295,573	236,070	299,407	237,616	301,098

⁽¹⁾ For CSU, the above data exclude the non-campus programs of CalState Teach and International Studies, which for Fall 2025 had enrollments of 999 and 421 students, respectively.

⁽²⁾ Represents total undergraduate headcount (full time and part time) for the University of California.

Source: California State University and University of California

Table 3 below sets forth full-time equivalent student (“FTES”) enrollment data for CSU graduate and undergraduate students for academic years 2020-21 through 2024-25. FTES is a measurement of enrollment derived by dividing total student credit hours for a term by twelve for graduate and fifteen for undergraduate students and is used for budgeting and accounting for actual educational activity. For 2024-25, approximately 95% of FTE students are classified as California residents and approximately 5% are classified as non-residents.

**TABLE 3
CALIFORNIA STATE UNIVERSITY
FULL TIME EQUIVALENT STUDENTS
2020-21 through 2024-25⁽¹⁾**

2020-21	2021-22	2022-23	2023-24	2024-25 ⁽²⁾
405,803	387,945	375,739	378,294	387,887

⁽¹⁾ Academic year FTES; excludes summer term FTES. FTES data reflected in Appendix C — “AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025” presents college year FTES, which includes summer term FTES, and is shown on a fiscal year basis.

⁽²⁾ Excludes the non-campus programs of CalState Teach and International Studies, which for academic year 2024-25 had FTES enrollments of 705 and 430 students, respectively.

Source: California State University

Social Diversity

CSU promotes student success through opportunity and a high-quality education that prepares students to become leaders in the changing workforce, making the CSU a vital economic engine for California. Educating more than 470,000 students as of Fall 2025, CSU graduates comprise nearly half of the state’s bachelor’s degrees, sending

approximately 123,000 graduates into the workforce each year. High quality academic programs reflect current and future workforce demands in emerging fields such as cybersecurity, software engineering, sustainable business, and environmental technology. As of Fall 2025, one in ten employees in California is a CSU graduate.

The CSU educates one of the most ethnically, economically, and academically diverse student bodies in the nation. As of Fall 2025, about 50% of the student body was Latino, 15% were Asian, and 4% were African American. More than half of students were underrepresented minorities and more than one-quarter of undergraduates were the first in their families to attend college.

The CSU itself employs approximately 64,800 faculty and staff, and social diversity extends to its own workforce. As of Fall 2025, approximately 25% of the CSU’s workforce were Latino, 18% were Asian or Pacific Islander, and 5% were African American. In addition, the overall workforce was 55% female, and its executive and management workforce was 57% female. Further, 12 of the CSU’s 22 current presidents are women.

Nearly half of undergraduates receive Federal Pell Grants, the most common form of need-based financial aid. In 2024-25, more than \$5.5 billion in such aid was distributed to more than 385,000 students—84% of the CSU’s total student population. The average award was \$14,000.

Student Tuition Fees and Other Education Costs

Charges for attending CSU are set by the Board, or by the Chancellor or university presidents under delegations from the Board. Students who are classified as California residents pay charges based upon whether they are full or part-time students and, to some degree, which university they are attending due to variations in other university-based fees. Undergraduate, graduate, post-baccalaureate, credential and doctoral students pay a fee (the “Tuition Fee”) to support basic instruction and other mandatory CSU costs.

During the 2026-27 academic year, the Tuition Fee for undergraduate part-time students (taking up to 6 units) is \$3,962 and for full-time undergraduate students (taking 6.1 units or more) is \$6,838.

Table 4 sets forth the Systemwide part-time and full-time Tuition Fee for California resident undergraduate students for academic years 2022-23 to 2026-27. Gross Revenues, pledged as security for Systemwide Revenue Bonds, includes Tuition Fee revenues. See “SECURITY FOR THE SERIES 2026 BONDS” in this Official Statement and “SYSTEMWIDE REVENUE BOND PROGRAMS – Tuition Fees” in this Appendix A.

**TABLE 4
CALIFORNIA STATE UNIVERSITY
TUITION FEE PER ACADEMIC YEAR
FOR CALIFORNIA RESIDENT UNDERGRADUATES
2022-23 through 2026-27**

Academic Year	Tuition Fee	
	Part time	Full time
2022-23	\$3,330	\$5,742
2023-24	3,330	5,742
2024-25	3,528	6,084
2025-26	3,738	6,450
2026-27	3,962	6,838

Source: California State University

For the 2026-27 academic year, graduate students pay a Tuition Fee of \$4,960 (part-time) and \$8,548 (full-time). Doctoral students have a Tuition Fee ranging from \$14,094 to \$21,236 for academic year 2026-27 depending upon the program. Nonresident students pay \$471 per semester unit in addition to the applicable Tuition Fee in the 2026-27 academic year.

The Tuition Fee, including the amount constituting such nonresident tuition, is set by the Board or by the Chancellor. Any changes in the Tuition Fee or other mandatory systemwide fees will be made in accordance with the

requirements of the Working Families Student Fee Transparency and Accountability Act, which prescribes a consultative process that the CSU must follow in order to increase mandatory systemwide fees. All other listed fees, other than mandatory systemwide fees, are subject to change without notice until the date when instruction for a particular semester or quarter has begun. All CSU listed fees should be regarded as estimates that are subject to change upon approval by the Board of Trustees, the Chancellor, or the Presidents, as appropriate.

In September 2023, following input from a workgroup formed in 2022 to evaluate and recommend a multi-year strategy to achieve stable and predictable revenues to support the CSU's educational mission, maintain affordability for students and meet the differing needs of its universities, the Board approved a multi-year tuition increase of 6% per year for the 2024-25 through 2028-29 academic years.

In addition to the Tuition Fee, other university-based fees are charged to each enrolled student for services or programs that are available to or provided for all students at each university. For academic year 2025-26, other university-based fees ranged from \$1,084 to \$7,000 per year; the Tuition Fee for California residents, plus such other university-based fees, averaged a total of \$8,668, ranging from a low of \$7,534 at California State University, Los Angeles to a high of \$13,450 at California Polytechnic State University, San Luis Obispo. These fees are typically finalized at the beginning of each academic year.

Other university-based charges and fees may also be incurred by students, such as: graduation and diploma fees, transcript fees, late registration fees, catalog fees, identification card fees, and miscellaneous fees for courses not fully funded out of operating expense (e.g., lab, field trips, art materials, instrument fees). Such other university-based fees are generally not pledged to the repayment of Systemwide Revenue Bonds. See "SECURITY FOR THE SERIES 2026 BONDS" in this Official Statement.

The total cost of attending CSU varies based upon the student's academic program, where the student will live, the location of the university the student will attend and other factors unique to each student. The amount charged by CSU remains low in comparison to other institutions of higher education, both inside and outside the State. CSU believes the attractive price of education it offers supports the strong demand for its services.

Revenue Management and Investments

Charges for attending CSU are collected at the time of registration for each academic term and are deposited into local university bank accounts. Operating expenses are paid from local university bank accounts by each university with funds drawn from CSU's investment program. Universities with facilities that were financed through the issuance of the Board's revenue bonds also deposit revenues, including Gross Revenues, for those programs into local university bank accounts. Excess balances in local university bank accounts are swept daily for investment through CSU's investment program.

CSU's investment portfolio consists primarily of investments in the State of California Surplus Money Investment Fund and CSU's Consolidated Investment Pool. See Appendix C — "AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025" at Note (3)(b). Currently, the CSU's Consolidated Investment Pool consists of the Liquidity Portfolio (the "Liquidity Portfolio", previously known as the Systemwide Investment Fund Trust or "SWIFT"), the Intermediate Duration Portfolio ("IDP"), and the Total Return Portfolio ("TRP"). The Liquidity Portfolio is managed through contracts with two investment management firms and the IDP is managed through contracts with two investment management firms, each of whom provides investment management services for the program. Funds invested in the Liquidity Portfolio and the IDP are split evenly between the investment managers, respectively, through a custodian bank on behalf of CSU and invested by the investment managers according to permitted investments outlined in the Government Code of the State and CSU investment policy. For both the Liquidity Portfolio and the IDP, the permitted investments consist primarily of highly rated, fixed income securities, which may include variable rate instruments. Total investments in the Liquidity Portfolio were \$2.9 billion and in the IDP were \$1.5 billion at the end of May 2026.

Effective January 1, 2017, changes to the Education Code and Government Code of the State expanded the permitted investments to include mutual funds, including equity mutual funds, and real estate investment trusts, resulting in the establishment of the TRP. Under State law, investment of funds in the TRP is subject to CSU meeting certain conditions regarding investment oversight, reporting, and use of earnings, and was originally limited to no

more than 30% of the CSU Consolidated Investment Pool. Effective January 1, 2023, further revisions to the Education Code and Government Code of the State further expanded the limit to no more than 65% of the CSU Consolidated Investment Pool and expanded permissible investments to include institutional commingled funds (including commingled trust funds and collective trust funds) and exchange-traded funds (in addition to mutual funds and real estate investment trusts). As of the end of May 2026, total investments in the TRP were \$3.6 billion. Beginning with its inception in April of 2018, the TRP followed a regular funding schedule, which concluded in December of 2024, ensuring the TRP does not exceed the statutory limits for the TRP. With the establishment of the TRP, CSU expects that exposure in the value of its investments as a result of illiquidity or volatility in certain investment sectors of the financial markets will increase for a portion of its investments, but that such exposure is not expected to have a material adverse impact on Gross Revenues. Funds held in CSU's investment program are subject to changes in market valuation.

As bond trustee, the State Treasurer invests and disburses proceeds of the Board's revenue bond program during the construction phase of projects constructed by CSU, according to the permitted investments outlined in the Government Code of the State. CSU receives interest on amounts invested by the State Treasurer from the State Controller's Office on a quarterly basis.

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Student Admissions

Table 5 below sets forth application and enrollment data for first time freshmen, undergraduate transfers, graduates and other students for the academic years indicated.

TABLE 5
CALIFORNIA STATE UNIVERSITY
UNDERGRADUATE AND GRADUATE ADMISSIONS

<u>Fall Term</u>	<u>Applications Received</u> ⁽¹⁾	<u>Applications Accepted</u> ⁽¹⁾	<u>Percent Accepted</u>	<u>Accepted Enrolled</u>	<u>Percent of Accepted Enrolled</u> ⁽²⁾
2021					
First Time Freshmen	558,934	381,737	68%	60,267	16%
Undergrad Transfers	275,376	169,011	61%	56,572	33%
Graduates	89,445	38,473	43%	21,525	56%
Other	<u>3,549</u>	<u>3,372</u>	95%	<u>3,613</u>	107%
Total	927,304	592,593	64%	141,977	24%
2022					
First Time Freshmen	630,956	422,134	67%	65,103	15%
Undergrad Transfers	239,209	154,700	65%	49,464	32%
Graduates	82,463	35,333	43%	19,700	56%
Other	<u>3,833</u>	<u>3,712</u>	97%	<u>4,071</u>	110%
Total	956,461	615,879	64%	138,338	22%
2023					
First Time Freshmen	658,742	463,228	70%	68,216	15%
Undergrad Transfers	219,202	156,216	71%	48,945	31%
Graduates	84,852	37,137	44%	19,937	54%
Other	<u>3,880</u>	<u>3,715</u>	96%	<u>4,291</u>	116%
Total	966,676	660,296	68%	141,389	21%
2024					
First Time Freshmen	696,451	496,378	71%	68,375	14%
Undergrad Transfers	227,455	164,666	72%	52,244	32%
Graduates	84,083	39,794	47%	21,343	54%
Other	<u>4,293</u>	<u>4,163</u>	97%	<u>4,864</u>	117%
Total	1,012,282	705,001	70%	146,826	21%
2025					
First Time Freshmen	701,944	492,946	70%	66,339	13%
Undergrad Transfers	228,118	161,267	71%	53,205	33%
Graduates	81,076	40,521	50%	21,287	53%
Other	<u>6,483</u>	<u>6,364</u>	98%	<u>6,324</u>	99%
Total	1,017,621	701,098	69%	147,155	21%

⁽¹⁾ Includes duplicated applications received and accepted as a result of students applying to more than one university.

⁽²⁾ Cases where enrollment is greater than 100% are due to students enrolling in classes as transitory students, after not being admitted into a university.

Source: California State University

CSU AND RELATED ENTITY INDEBTEDNESS

CSU has various revenue bonds and other obligations outstanding as listed below. These obligations are secured by and payable from revenues of the financed facilities, investment income, student charges and rental payments.

In addition to the debt the Board issues directly, several other sources of capital have historically been available to CSU. From time to time, voter-approved general obligation bonds are issued by the State (and repaid from taxes and other funds of the State) and used to pay capital costs of new academic and other facilities of CSU. Prior to 2014, the issuance of State Public Works Board Lease Revenue Bonds was a significant source of capital for facilities, for which debt service was appropriated annually by the State Legislature. In 2014, the State Legislature shifted budgetary responsibility for paying debt service on State Public Works Board Lease Revenue Bonds and voter-approved general obligation bonds issued on behalf of CSU from the State to CSU. As part of the plan enacted in 2014, CSU receives additional State funding to pay the debt service on State general obligation bonds and State Public Works Board Lease Revenue Bonds. As a result of these shifts, the Systemwide Revenue Bond program is now the primary long-term financing vehicle for academic and other facilities of the type previously financed with voter-approved general obligation bonds and State Public Works Board Lease Revenue Bonds. The State may continue to issue such bonds from time to time.

As of June 30, 2025, there are also 93 organizations, of which 89 are auxiliary organizations that provide certain essential services to individual universities. See “SYSTEMWIDE REVENUE BOND PROGRAMS – Auxiliary Organizations Program and Other Entities.” Approximately 10% of these auxiliary organizations in the past issued their own debt generally secured by project revenue to finance projects for CSU’s universities. Most of these bonds have been refunded into the Systemwide Revenue Bond program or matured. At this point, there is only one auxiliary organization with bonds outstanding. CSU is not obligated to pay debt service on any auxiliary organization bonds. The following table lists the outstanding public indebtedness of CSU and related entities as of June 30, 2026.

TABLE 6
CALIFORNIA STATE UNIVERSITY
OBLIGATIONS ISSUED AND OUTSTANDING
as of June 30, 2026

	Amount Outstanding
Revenue Bonds and Commercial Paper Issued by the Board	
Systemwide Revenue Bonds, Series 2007B through 2025B ⁽¹⁾	\$ 10,347,020,000
Commercial Paper ⁽²⁾	\$ 281,895,000
Total Revenue Bonds and Commercial Paper	\$ 10,628,915,000
<u>Other Obligations</u> ⁽³⁾	
Auxiliary Organization Bonds ⁽⁴⁾	\$ 11,790,000
State Public Works Board Lease Revenue Bonds ⁽⁵⁾	93,280,000
Other Capital Lease Obligations ^{(5) (6)}	53,217,000
Total:	\$ 10,787,202,000

⁽¹⁾ Includes \$250 million of Series 2016B Bonds, which have fixed term rates through the mandatory tender date of November 1, 2026. Subsequent to remarketings, if any, such bonds may be in similar term rate modes and/or fixed rates.

⁽²⁾ CSU Commercial Paper is secured by a Subordinate Lien on Gross Revenues. See the following discussion under the subheading “Commercial Paper.”

⁽³⁾ Other Obligations are not secured by a pledge of Gross Revenues.

⁽⁴⁾ For information on CSU auxiliary organizations, see “GOVERNANCE AND ADMINISTRATION—University Administration” and “SYSTEMWIDE REVENUE BOND PROGRAMS—Auxiliary Organizations Program and Other Entities.”

⁽⁵⁾ Debt that is currently supported by lease payments from the CSU as of June 30, 2026.

⁽⁶⁾ Unaudited. As of June 30, 2026.

Source: California State University

Commercial Paper

The Board utilizes a commercial paper (“CP”) program for various financing activities. From 2001 until 2025, CP for CSU was issued by the California State University Institute, an auxiliary organization of CSU (the “Institute”). Since March 5, 2025, the Board has issued CP under a new program, and the Institute’s CP program was terminated. To minimize debt service costs during construction periods, the Board may initially finance capital improvements with proceeds of CP notes, which are secured by a subordinate lien on Gross Revenues. Such short-term debt is generally refinanced with long-term fixed rate Systemwide Revenue Bonds when capacity in the CP program is required for other projects or during periods of low interest rates. In a few cases, financing for certain projects may remain in CP and be fully amortized over short to medium term periods from project revenues. The Board may also utilize CP to finance certain equipment and software needs of CSU as an alternative to other capital lease and installment purchase financing resources. CSU enters into installment purchase obligations and makes installment payments over terms consistent with the useful life of the financed equipment or software (typically 5-7 years). These installment payments are applied to repay the CP.

CP notes are payable from and secured by, among other moneys, amounts drawn in respect of the payment of principal of and accrued interest on such notes under separate irrevocable transferable letters of credit issued with respect to different series of CP notes by Wells Fargo Bank, National Association, and Barclays Bank PLC. Each of the letter of credit is authorized for up to \$150 million. The letters of credit have a stated termination date of June 30, 2028, subject, in certain circumstances, to early termination, suspension or extension. The CP program is currently authorized up to \$500 million, subject to any lower limit as set forth in the then-applicable letters of credit. The Board expects to operate the CP program at no more than \$300 million through the term of the current letters of credit. The Board expects to continue to utilize the CP program for the foreseeable future.

As of June 30, 2026, \$281,895,000 of CP notes was outstanding, of which approximately \$276,232,000 is expected to be refinanced with proceeds of the Series 2026 Bonds and/or repaid in part with other available funds of the Board.

Authorized but Unissued Debt

As of June 30, 2026, the Board had Systemwide Revenue Bonds and Commercial Paper authorized but unissued in the aggregate principal amount of approximately \$1.1 billion for approved projects. Following the issuance of the Series 2026 Bonds, approximately \$658.3 million is expected to remain authorized but unissued for approved projects. In addition, the Board has authorized Systemwide Revenue Bonds for the purpose of refunding certain outstanding bonds of the State Public Works Board. As of June 30, 2026, approximately \$93.3 million of State Public Works Board Lease Revenue Bonds issued for CSU remained outstanding (see Table 6). The Board may issue all or a portion of these authorized Systemwide Revenue Bonds as well as other additional bonds for other new money projects or refunding purposes. The Board expects to authorize the issuance of additional Systemwide Revenue Bonds from time to time in the future. There is no limit on the amount of Systemwide Revenue Bonds that the Board may authorize.

Capital Improvement Program

The Board has a capital improvement program that it approves annually in the Fall for its academic and self-support projects (previously referred to as State and non-State funded facilities) that focuses on a five-year period. For the five-year major capital outlay plan for fiscal years 2026-27 through 2030-31, refer to <https://www.calstate.edu/csu-system/doing-business-with-the-csu/capital-planning-design-construction/Documents/2026-2031%20Five-Year%20Plan.pdf>. Additionally, the program may be amended and approved throughout the year by the Board and the Chancellor under delegated authority to reflect the needs and priorities of the universities. A preliminary five-year plan for fiscal years 2027-28 through 2031-32 is expected to be presented to the Board for approval during the Board’s July 2026 meeting. University administration works closely with the Chancellor’s Office to identify projects and to justify the project demand and related budgets. The Board anticipates that it will use future borrowings and State funds to fund its capital improvement program.

SYSTEMWIDE REVENUE BOND PROGRAMS

Debt Management Program

Under the CSU Policy on Financing Activities, originally adopted by the Board in March 2002 and revised in November 2014, responsibility for the management of CSU debt obligations continues to be centralized in the CSU Chancellor's Office, with oversight and ultimate approval provided by the Board. Debt is planned pursuant to annual funding requirements in accordance with the capital improvement program. Issuance of debt requires approval of the Board or of the Chancellor pursuant to authority delegated by the Board. On March 21, 2018, the Board approved the Standing Orders of the Board to, among other things, authorize the Chancellor to authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of related Systemwide Revenue Bonds Anticipation Notes, and/or the issuance of related debt instruments for projects approved by the Chancellor under delegated authority, as amended from time to time, for, among other things, projects with value up to \$40 million and all new parking structures, regardless of cost.

Historically, the Board has been authorized to issue revenue bonds for self-support programs (non-State) to finance housing, parking, health centers, student body centers, continuing education facilities, and other special projects related to the educational mission of CSU. In March 2002, the Board approved the long-term debt issuance program of systemwide revenue bonds that, together with the then existing housing system bonds issued under a bond resolution adopted by the Board in 1968, constituted the "Systemwide Revenue Bonds." Under the Board's financing policy, the Board uses Systemwide Revenue Bonds to finance other projects that previously may have been financed by auxiliary organizations. Pursuant to the Board's financing policy, the Chancellor has established internal benchmark requirements and guidelines for debt undertaken by an individual university, such as minimum debt service coverage thresholds for the Systemwide Revenue Bond program. The Board has no outstanding Indebtedness secured by a Senior Lien and has covenanted in the Indenture not to issue any Indebtedness secured by a Senior Lien so long as any Systemwide Revenue Bonds remain outstanding.

In June 2014, the State enacted legislation that granted additional capital financing authorities to CSU. These added authorities include the ability to issue bonds to pay the cost of academic facilities related to CSU's educational mission and pledge the CSU's annual general fund support appropriation, less the amount of that appropriation required to meet State general obligation bond payments and State Public Works Board rental payments, to secure the payment of debt obligations issued by CSU pursuant to the State University Revenue Bond Act of 1947 (the "Act"). No more than 12% of CSU's annual general fund support appropriation, less the amount of that appropriation that is required to fund State general obligation bond payments and State Public Works Board rental payments, may be used for debt service for, or to directly fund, certain capital expenditures. As a result of the added capital authorities, the Board has approved financing for various academic projects with Systemwide Revenue Bonds. These authorities also allow CSU to pledge any other revenues that CSU chooses to pledge to secure the payment of debt obligations issued by CSU pursuant to the Act and provide flexibility to utilize these authorities through the Systemwide Revenue Bond program.

Tuition Fee revenues are pledged as security for the Systemwide Revenue Bonds, in addition to fees from student housing, student union, parking, health center facilities, the continuing education program and payments from various auxiliary organizations and special purpose governmental entities. General fund support appropriations from the State are not currently included in Gross Revenues and are not pledged as security for the Systemwide Revenue Bonds. See "SECURITY FOR THE SERIES 2026 BONDS" in this Official Statement.

The following is a brief description of the programs that currently generate the Gross Revenues. The Board may from time to time designate additional revenue sources as Gross Revenues. Generally, universities deposit the revenues generated by these programs to the CSU investment program, periodically setting aside appropriate amounts for debt service, and otherwise directly managing the expenditure of such funds in accordance with university budgets.

Housing Program

Twenty-one of the universities comprising the CSU System operate housing facilities under the Act. The responsibility for fiscal management, budgeting and operations with respect to these facilities is given to each respective university, with the Chancellor's Office retaining overall responsibility for financing activities of the housing program and ensuring continuing compliance with bond-related requirements and covenants.

Proposed new housing projects to be financed in whole or in part from proceeds of Systemwide Revenue Bonds are subject to a peer review. The Housing Proposal Review Committee is a standing committee (chaired by a university president with membership of four university vice presidents and two university housing officers representing student housing and faculty/staff housing programs) that evaluates proposed housing projects and provides advice to the Chancellor and the respective university president on the merits of the project. The scope of the committee review includes both programmatic and financial feasibility.

Certain of the housing facilities under the Housing Program include dining facilities. All or a portion of the revenues from the housing facilities and certain of those dining facilities constitute a portion of the Gross Revenues for the Systemwide Revenue Bonds.

Rates and Charges

The responsibility for the financial viability of the housing program on each CSU university is delegated by the Board to each respective university president, each of whom has the flexibility and the responsibility to increase housing rental rates and charges as needed.

Table 7 below sets forth average room rates charged for the recent five academic years. In academic year 2025-26, room rates ranged from a high of \$15,816 at San Diego State University to a low of \$6,175 at California State University, Fresno. Generally, all of the housing rental rates and charges constitute Gross Revenues for the Systemwide Revenue Bonds.

**TABLE 7
CALIFORNIA STATE UNIVERSITY
HOUSING SYSTEM AVERAGE ROOM RATES
2021-22 through 2025-26**

Academic Year	Average Room Rate ⁽¹⁾
2021-22	\$8,926
2022-23	9,089
2023-24	9,424
2024-25	9,797
2025-26	10,396

⁽¹⁾ Represents average annual cost of double occupancy for residence halls in the CSU System. The average annual cost of double occupancy for apartments is included if residence hall data is not available.
Source: California State University

Capacity and Occupancy

In Fall 2025, the design capacity for the student housing facilities (including auxiliary organizations and affiliated housing) was 65,643 spaces, which was approximately 14% of the Fall 2025 enrollment for the CSU. Additionally, there were 534 apartment units, of which 503 were available for lease to faculty and staff. The average Fall 2025 occupancy rate was 91%.

The COVID-19 pandemic that transitioned university operations from in-person to virtual instruction led to vacancies in housing facilities starting in Spring 2020 and negatively impacted housing occupancy and revenue. By Spring 2022, the majority of classes had resumed in-person instruction. While online course sections continue to be a popular option, the housing programs continue to improve. In 2024-25, operating revenue was \$849 million and occupancy was 90%, an increase from \$577 million average revenues and 70% average occupancy between 2020-21 and 2023-24. For details related to housing capacity, occupancy, financial information by university and enrollment, refer to APPENDIX C — “AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025” at Schedule 6 and “THE CSU SYSTEM AND UNIVERSITIES – Enrollment” in this Appendix A.

Student Union Program

The Education Code of the State provides that students enrolled at an individual CSU university may authorize the Board to impose student body center fees (also termed student union fees) by a two-thirds vote approving such fees. Under statutory terms such fees may be used for the purpose of financing, operating, and maintaining student union or student body center facilities. Currently, students at all 22 universities in the CSU System have voted in favor of imposing student union fees.

Rates and Charges

Student union annual fees ranged from \$275 to \$1,036 per student in 2025-26 and are collected at all universities in the CSU System. All student union annual fee revenues constitute a portion of Gross Revenues for the Systemwide Revenue Bonds.

Operations and Maintenance

As a matter of practice, with the recommendation of the university president, the Board contracts with auxiliary organization not-for-profit corporations for most universities to operate and maintain student unions. See the information below in this section under the subheading “Auxiliary Organizations Program and Other Entities.”

Parking Program

The parking program provides parking facilities to all CSU universities as authorized under the provisions of the California Education Code. The program is self-supporting and derives its revenues from parking fees paid by students, faculty, staff and visitors.

Consistent with CSU objectives to increase accountability at the university level, management of all parking program operations is decentralized to each CSU university. University spending of the parking fee revenue is applied to the acquisition, construction, operation, and maintenance of university parking facilities.

Parking Utilization

Because of the large number of commuters to CSU universities each day (in Fall 2025, the design capacity of CSU housing facilities was only 12% of the Fall 2025 enrollment), the demand for parking spaces at the universities continues to be much higher than the number of spaces available. Since parking availability may be limited during peak hours, students are encouraged to utilize alternative transportation options when traveling to universities and when choosing their housing. As of June 30, 2025, there were approximately 176,790 parking spaces comprising the parking projects designated under the Indenture.

The demand for parking spaces was temporarily impacted by the COVID-19 pandemic, which called for virtual instruction commencing mid-March 2020. By Spring 2022, the majority of classes had resumed in-person instruction, however online course sections continue to be a popular option. For program financial information and enrollment, refer to APPENDIX C — “AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025” at Schedule 5 and “THE CSU SYSTEM AND UNIVERSITIES – Enrollment” in this Appendix A.

Rates and Charges

Establishment of parking rates is delegated by the Board to the Chancellor, who further delegates the authority to each respective university president. Fees for employees and faculty, except the management group employees, however, are subject to certain collective bargaining negotiations. All parking revenues constitute a portion of Gross Revenues for the Systemwide Revenue Bonds.

Health Center Facilities Program

Prior to 1996, the health center facility fee was a uniform fee set at \$6 per academic year and charged at all CSU universities. In 1996, the Chancellor was delegated authority to establish health center facility fees at a specific

university level. At that time, the \$6 health center facility fee was re-established by the Chancellor for all universities previously having the Systemwide fee in place. Each university president has the authority and responsibility to adjust this fee after consultation with the university community. Further, in accordance with the CSU System policy, the university president is responsible to set this fee to provide for the repayment of any debt incurred in accordance with applicable CSU System debt management policies. For fiscal year 2025-26, the \$6 health center facility fee was in place at 9 universities. One university does not have a health center facility fee, and the rest of the universities have health center facility fees ranging from \$8 to \$84. The health center facility fee is included in Gross Revenues of the Systemwide Revenue Bond program. Universities may also charge a separate Health Services fee, which is used to operate the university student health programs and is not part of Gross Revenues.

Professional and Continuing Education (PaCE)

Since the inception of the CSU System in 1961, CSU has operated PaCE programs as a way to provide educational opportunities that extend beyond both the physical and programmatic boundaries of a traditional university education. The programs, implemented at each of the universities, are designed to address the unique needs of individuals in pursuing their educational goals, especially those students who otherwise may not be able to complete their goals through a regular university environment. CSU offers a variety of PaCE programs including credit degree and certificate programs, off-campus and online programs, professional development, corporate training and programs for international students. Each university offers educational programs that meet the needs of their local region as well as a global audience. The Assistant Vice Chancellor for PaCE at the Chancellor's Office provides leadership and guidance to the university PaCE units.

Rates and Charges

PaCE programs are supported entirely by course fees or user fees charged to the respective enrollees. The programs and course offerings are developed on a self-supporting basis so that the fees charged cover the full cost of developing and presenting the course offerings. Fees range in amount depending upon various factors, such as the nature of the course and the materials used. Generally, fees range between \$400 and \$1,000 per unit. The State does not provide direct support for these programs through the budget allocation process, and PaCE must reimburse the State for use of any State-supported facilities or services. All of the course fees and user fees related to the PaCE programs constitute Gross Revenues for the Systemwide Revenue Bonds.

Auxiliary Organizations Program and Other Entities

As described above under "GOVERNANCE AND ADMINISTRATION—University Administration," the Board has a longstanding program of utilizing auxiliary organizations to support a broad range of functions for CSU. In some cases, auxiliary organizations become involved in the financing of university facilities, such as student and faculty/staff housing, bookstores, food services facilities, academic facilities and event centers, as well as off-campus facilities serving the needs of the university. Most facilities that were originally financed with auxiliary debt obligations were refinanced with the Systemwide Revenue Bonds, and only one series is currently outstanding. Auxiliary facilities are financed with Systemwide Revenue Bonds using either a lease or loan structure. In the lease structure, the financed facility is leased from the Board, as lessor, to an auxiliary organization or governmental unit, as lessee. Under the terms of the lease, the lessee agrees to operate the facility and to make certain rental payments to the Board, which constitute Gross Revenues under the Indenture. In the loan structure, facilities are financed or refinanced by a loan of Systemwide Revenue Bond proceeds from the Board to the auxiliary organization pursuant to a loan agreement. Under the terms of the loan agreement, in return for the loan from the Board, the auxiliary organization agrees to acquire, construct and/or maintain the facility and to repay the loan to the Board, which repayments constitute Gross Revenues under the Indenture. At the time the lease or loan agreement is entered into, certain auxiliary organizations may have outstanding debt and the obligation to make rental payments or loan repayments to the Board may be on a parity with, or junior and subordinate to, such debt of the auxiliary organization. As of June 30, 2025, there were 15 auxiliary organizations with leases or loan agreements with the Board for facilities financed or refinanced with Systemwide Revenue Bonds, with aggregate annual payments for all such leases and loan agreements of approximately \$51,091,832 in fiscal year 2024-25, a \$6,554,332 net increase from the prior year. To date, each such auxiliary organization with facilities financed or refinanced with Systemwide Revenue Bonds has made each of its periodic loan repayments or lease rental payments in accordance with its respective lease or loan agreement with the Board.

Pursuant to the Indenture, the Board may designate an auxiliary organization with a lease or a loan from the Board as a Designated Auxiliary Organization, and its revenues and debt as Designated Auxiliary Revenues and Designated Auxiliary Debt, respectively, and once so designated, such revenues and debt will be included in the rate covenant and additional borrowing test under the Indenture. See “SECURITY FOR THE SERIES 2026 BONDS—Rate Covenant” and “—Parity Lien Indebtedness; No Senior Lien Indebtedness” in this Official Statement. There are currently 15 auxiliary organizations that are Designated Auxiliary Organizations with Designated Auxiliary Revenues and Designated Auxiliary Debt; the loan or lease payments made by such auxiliary organizations have been designated as Gross Revenues by the Board.

Additionally, from time to time, certain facilities serving CSU are owned, operated or financed with the participation of special purpose governmental entities. In the past, the lease structure described above has been used by the Board and such governmental entities to finance these facilities with Systemwide Revenue Bonds. There is currently a governmental unit with leases with the Board for such facilities, namely, the California State University Channel Islands Site Authority, with aggregate annual rental payments for all such leases of approximately \$6.2 million in fiscal year 2024-25.

Tuition Fees

Tuition Fee revenues are pledged as security for Systemwide Revenue Bonds. See “SECURITY FOR THE SERIES 2026 BONDS” in this Official Statement. In 2024-25, Tuition Fee revenue was approximately \$3.7 billion. See Appendix C — “AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025” at Schedule 5 and <https://www.calstate.edu/attend/paying-for-college/csu-costs/tuition-and-fees> for prior years’ student tuition and fees.

FINANCIAL INFORMATION RELATED TO SYSTEMWIDE REVENUES

Table 8 below sets forth, for the five fiscal years ended June 30, 2021 through June 30, 2025, (i) the Gross Revenues received and expenditures made with respect to the Projects from which Gross Revenues were produced during these fiscal years and (ii) certain auxiliary organization revenues (some of which are Gross Revenues) and expenditures for auxiliary organizations participating in the Systemwide Revenue Bond program. Throughout these five fiscal years, Gross Revenues included (i) revenues from housing, student union, parking, health center and continuing education programs and (ii) revenues from certain auxiliary organizations, as discussed above. See “SYSTEMWIDE REVENUE BOND PROGRAMS.” The Tuition Fee (previously known as the State University Fee), which is the basic enrollment charge paid by all students who attend CSU, is part of the pledge of revenues under the Systemwide Financing Program. See “SECURITY FOR THE SERIES 2026 BONDS” in this Official Statement.

Student union/recreation center and health center fee revenues shown in Table 8 do not include revenues derived from operations of student unions/recreation centers or student health centers (which are not a part of Gross Revenues), and student union/recreation center and health center operating expenditures shown in Table 8 include only those expenditures that are paid from the revenues shown. Parking revenues shown in Table 8 do not include fines and forfeitures that are collected separately from parking fees. Parking fines and forfeitures are not part of Gross Revenues.

Table 8 includes the revenues (exclusive of research grant and contract activity and restricted gifts), expenditures and stand-alone (non-Systemwide Revenue Bond) auxiliary debt service for the 15 auxiliary organizations with facilities that had been financed or refinanced with Systemwide Revenue Bond proceeds (as of June 30, 2025), starting with the fiscal year in which each such financing occurred. Only the payments under the leases and loan agreements between the Board and such auxiliary organizations and certain other entities (approximately \$51.9 million for the fiscal year ended June 30, 2025, and generally equal to the amount needed to pay debt service on the corresponding Systemwide Revenue Bonds) have been designated by the Board as Gross Revenues pledged under the Indenture. However, under each such lease or loan agreement the auxiliary organization makes a broader revenue pledge to the Board (subject to any senior or parity indebtedness of the auxiliary organization) to secure the auxiliary’s obligation to make the lease rental payments or loan repayments. With respect to certain auxiliary projects, the Board has the right to increase the amount of lease rental payments or loan repayments if necessary, and therefore cause an additional portion of the auxiliary revenues reflected in Table 8 to be designated as Gross Revenues under the Indenture. In addition, the Board has the right under certain circumstances to direct the use of such auxiliary revenues or take control of the project generating such revenues.

TABLE 8
CALIFORNIA STATE UNIVERSITY
HISTORICAL GROSS REVENUES AND EXPENDITURES
(Fiscal Years Ended June 30)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>
Gross Revenues:					
Tuition fees	\$3,390,203,135	\$3,364,117,235	\$3,319,703,398	\$3,393,236,572	\$3,675,195,284
Student Housing	179,250,548	594,671,094	731,828,922	808,491,618	867,646,463
Student Unions/Recreation Centers	280,151,879	267,224,881	293,806,481	312,237,486	331,894,408
Parking	21,462,347	80,389,700	121,762,494	127,520,300	140,076,519
Health Centers	12,600,322	9,449,733	12,999,897	13,638,410	14,784,981
Professional and Continuing Education	434,688,596	427,045,409	435,485,119	413,281,075	426,869,181
Auxiliary Organizations ⁽²⁾	466,752,867	607,007,018	684,579,102	736,469,586	783,088,363
Other Related Entity ⁽³⁾	7,187,481	5,728,046	6,216,439	6,225,672	6,184,866
Total Gross Revenues	<u>\$4,792,297,175</u>	<u>\$5,355,633,116</u>	<u>\$5,606,381,851</u>	<u>\$5,811,100,719</u>	<u>\$6,245,740,065</u>
Debt Service:					
Designated Auxiliary Organizations	2,018,256	2,007,354	2,007,354	2,010,053	2,004,002
Systemwide Revenue Bonds ⁽⁴⁾	468,031,674	487,613,067	511,896,254	560,948,096	593,449,129
Total Debt Service	<u>\$470,049,930</u>	<u>\$489,620,421</u>	<u>\$513,903,608</u>	<u>\$562,958,149</u>	<u>\$595,453,131</u>
Maintenance and Operation Expenses⁽⁵⁾					
Academic facilities	\$384,693,737	\$491,754,942	\$562,507,657	\$643,266,157	\$743,286,376
Student Housing	305,593,804	360,564,705	520,988,100	603,243,560	699,223,234
Student Unions/Recreation Centers	133,193,508	140,808,956	172,080,231	162,640,934	179,756,083
Parking	51,052,224	33,319,601	64,817,275	84,411,157	90,017,745
Health Centers	4,413,390	3,597,762	4,700,895	5,615,956	5,682,164
Professional and Continuing Education	338,498,283	373,482,199	380,676,610	414,566,876	390,193,310
Auxiliary Organizations ⁽²⁾	415,737,561	489,025,499	571,170,587	613,689,333	633,547,549
Total Maintenance and Operation Expenses	<u>\$1,633,182,507</u>	<u>\$1,892,553,664</u>	<u>\$2,276,941,354</u>	<u>\$2,527,433,973</u>	<u>\$2,741,706,462</u>

⁽¹⁾ See Schedule 5 in Appendix C.

⁽²⁾ Includes Revenue and expenditures for 15 auxiliary organizations that, as of June 30, 2025, were financed with Systemwide Revenue Bonds through an outstanding lease or loan and excludes research grant and contract activity and restricted gifts. Gross Revenues under the Indenture are a smaller amount derived from payments under certain leases or loans with the Board.

⁽³⁾ Includes revenues derived from leases with California State University, Channel Islands Site Authority, which are used solely to pay debt service on Systemwide Revenue Bonds; operating expenditures are not paid from Gross Revenues.

⁽⁴⁾ Debt service shown excludes interest that has been funded from bond proceeds. Cash subsidy payments from the U.S. Treasury under the Build America Bonds program are not pledged to Systemwide Revenue Bonds and are neither included as Gross Revenues nor deducted from Systemwide Revenue Bonds, Series 2010B (Taxable – Build America Bonds) debt service included in Table 8 above.

⁽⁵⁾ Maintenance and operation expenses for the year ended June 30, 2025 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$350 million, other postemployment benefits expense of \$52.7 million pursuant to GASB Statement No. 75, and pension expense of \$43.7 million pursuant to GASB Statement No. 68.

Source: California State University

Table 9 sets forth the scheduled debt service on all Systemwide Revenue Bonds payable from Gross Revenues on a fiscal year basis, commencing with the fiscal year ending June 30, 2026. The Board may issue additional indebtedness secured on a parity by Gross Revenues under the terms of the Indenture. There is no limit on the maximum principal amount of Systemwide Revenue Bonds that may be issued under the Indenture.

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TABLE 9
CALIFORNIA STATE UNIVERSITY
DEBT SERVICE PAYABLE FROM GROSS REVENUES
(Following the Issuance of the Series 2026 Bonds)

Fiscal Year Ending June 30	Previous Systemwide Revenue Bonds				Series 2026 Bonds	Total Systemwide Revenue Bonds ⁽²⁾
	Including Refunded Bond Debt Service ⁽¹⁾	Refunded Bond Debt Service	Excluding Refunded Bond Debt Service	Refunded Bond Debt Service		
2026	\$ 663,643,327	\$	\$	\$	\$	
2027	700,109,255					
2028	712,561,766					
2029	713,582,383					
2030	711,706,196					
2031	708,750,790					
2032	701,665,112					
2033	684,543,830					
2034	664,937,031					
2035	659,543,364					
2036	657,979,027					
2037	627,154,857					
2038	624,742,027					
2039	612,670,116					
2040	628,679,724					
2041	645,580,583					
2042	620,345,518					
2043	604,041,721					
2044	585,459,965					
2045	580,663,169					
2046	560,076,827					
2047	557,262,696					
2048	529,648,429					
2049	462,606,120					
2050	456,018,693					
2051	440,352,415					
2052	424,994,840					
2053	249,393,497					
2054	178,362,156					
2055	125,718,469					
2056	100,313,693					
2057	68,222,412					
2058	15,232,626					
2059	15,233,544					
2060	15,230,358					
2061	15,232,601					
TOTALS⁽³⁾	\$17,322,259,137	\$	\$	\$	\$	

⁽¹⁾ Assumes remarketing of \$250 million mandatory tender bonds, Series 2016B-1, Series 2016 B-2 and Series 2016B-3 (the "Series 2016B Bonds"), in 2026 and thereafter at assumed rates of 3.50% following the November 1, 2026 scheduled mandatory tender date for such Series 2016B Bonds. In the event of a failure to remarket such mandatory tender bonds, any such bonds not purchased would bear interest from the tender to the date redeemed or paid at 6% for the period of 0 to 89 days from the tender date and at 8% 90 days and thereafter. Such mandatory tender bonds mature or are subject to sinking redemption between November 1, 2045 and November 1, 2051. The Series 2016B Bonds are expected to be refunded by the Series 2026B Bonds, as described elsewhere in this Official Statement.

⁽²⁾ Includes interest funded from bond proceeds and thus differs from the information reflected in Table 8. Does not include any deduction for the federal subsidy associated with the Systemwide Revenue Bonds, Series 2010B (Taxable – Build America Bonds).

⁽³⁾ Totals reflect rounding.

Financial Statements Related to Gross Revenues

The most recent audited financial statements of the California State University, as of June 30, 2025, are attached to this Official Statement as Appendix C. Schedules 5 through 7 to the audited financial statements contain certain information related to the Systemwide Revenue Bond Program.

GENERAL CSU FINANCIAL INFORMATION

Budgeting Process

Each fall the Board approves a budget plan and submits it to the California Department of Finance as input for development of the Governor's Budget for the coming fiscal year. The proposed budget identifies a base funding increase built on prior-year costs, reflecting full time equivalent student ("FTES") enrollment targets, employee compensation increases, mandatory cost increases, program changes, and capital project funding needs. The Board also annually approves capital project plans for self-supporting programs and academic projects, including those of the Systemwide Revenue Bond program, in a rolling five year capital outlay program plan.

Governor's Budget/Budget Act

The Governor's Budget, with input from CSU and other State agencies, is developed and presented to the State Legislature each January and then revised in mid-May. The Governor's Budget is debated during legislative hearings each Spring, and in June the State Legislature is required by California law to send its own recommended budget back to the Governor. At that point, the Governor and the State Legislature typically negotiate a final budget agreement that is signed into law by July 1. The Governor may delete, but not add, funded items in the budget bill, although such line-item vetoes have not occurred in recent years. A two-thirds vote by the State Legislature can override the Governor's veto of funds. Following the Governor's action, it becomes final as the "State Budget Act."

Negotiations with the State and Legislative Budget Hearings

Throughout the year, CSU staff engages in discussions of issues and priorities with staff at the State Department of Finance, the Legislative Analyst's Office, and Legislative committees. Usually in February, the Legislative Analyst publishes an analysis of, and recommendations for legislative action on, the Governor's Budget. This analysis serves as the principal agenda for legislative hearings, including those on the budget recommended for CSU by the Governor. Differences between the two houses of the State Legislature can be resolved in a conference committee, although a conference committee process has not been used in recent years, and instead State Legislative leadership has worked out differences through less formal processes.

Allocations to Universities

The Chancellor's Office informs all CSU universities of the Governor's budget decisions, at which time preliminary allocations may be identified for planning purposes. Final allocations are usually made by the Chancellor's Office promptly after the State Budget Act is signed.

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State Budget Acts for Recent Fiscal Years

The State provided funding increases to CSU for fiscal years 2012-13 through 2024-25, except for fiscal year 2020-21 when State funding temporarily decreased by approximately 8.5% during the COVID 19 pandemic. In May 2022, the Governor’s administration and CSU mutually agreed to a multi-year compact, covering fiscal years 2022-23 to 2026-27, which set out certain shared goals and proposed annual General Fund support (the “Multi-Year Compact”). Under the Budget Act of 2025, funding decreased in fiscal year 2025-26 compared to the prior fiscal year (see “– State Budget for Fiscal Year 2025-26” below). Table 10 below shows State funding to CSU over the most recent five fiscal years. The annual General Fund appropriations reflect the CSU's ongoing operating budget. They exclude one-time funding, mid-year changes after the budget is finalized (such as retirement funding adjustments), and other funds such as the Transportation Fund.

TABLE 10
CALIFORNIA STATE UNIVERSITY
ANNUAL APPROPRIATIONS FROM THE STATE OF CALIFORNIA
2021-22 through 2025-26
(in millions)

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Total General Fund from Budget Act	\$5,193	\$4,823	\$5,018	\$5,240	\$4,973
Deduct One-Time Capital Allocations ⁽¹⁾	(465)	(200)	-	-	-
Deduct One-Time Program Allocations ⁽²⁾	<u>(500)</u>	<u>(33)</u>	<u>(29)</u>	<u>(80)</u>	<u>(16)</u>
Ongoing General Fund Appropriation	\$4,228	\$4,590	\$4,989	\$5,160	\$4,957

⁽¹⁾ One-time capital allocations for 2021-22 include \$325 million in one-time funding for deferred maintenance, \$60 million for infrastructure improvements at CSU Dominguez Hills, \$54 million for Stockton Center Acacia Hall, \$25 million for the Center for Equity in Innovation and Technology at CSU Northridge, and \$1 million for the Fullerton Arboretum. For 2022-23, they include \$125 million in one-time funding for deferred maintenance and \$75 million for the university farm.

⁽²⁾ One-time program allocations for 2021-22 include \$433 million to transition Humboldt State University to a polytechnic university, \$30 million for emergency financial assistance grants for full-time, low-income students, and \$37 million for various programs. For 2022-23, they include \$10 million for the California Council on Science and Technology Policy Fellows Program and \$23 million for various programs. For 2023-24, they include \$15 million to support CSU Dominguez Hills, \$10 million for the California Council on Science and Technology, and \$4 million for various programs. For 2024-25, they include a one-time reduction of \$75 million as part of the state’s efforts to address its budget deficit and \$5 million to support projects that bring together higher education universities at a single location to offer certificate or degree programs that support state or local workforce needs. For 2025-26, they include \$6 million to implement legislation related to genealogy determination, \$6 million for the Tides Foundation to educate Californians on the findings of the California Reparations Task Force report, and \$4 million for various programs.

Source: California State University

State Budget for Fiscal Year 2025-26

The 2025-26 State budget, enacted on June 27, 2025 (the “Budget Act of 2025”), reduced CSU’s ongoing General Fund appropriation by \$279.3 million compared to the prior fiscal year, resulting in a total General Fund recurring budget of \$4.96 billion for fiscal year 2025-26. This reduction had two components:

- A \$143.8 million one-time base decrease (3%), reflecting the State’s efforts to address its budget deficit; and
- A \$135.5 million decrease related to lower State-funded retirement rates.

The Budget Act of 2025 also deferred the \$252 million increase to the CSU’s ongoing General Fund appropriation that had been scheduled for fiscal year 2025-26 under the Multi-Year Compact. The Budget Act of 2025 provided that such amount would instead be phased in as follows:

- \$100.9 million in ongoing funding in 2026-27;
- \$151.4 million in ongoing funding in 2028-29; and
- A one-time payment of \$252 million in fiscal year 2027-28.

The Budget Act of 2025 also included one-time funds of approximately \$50 million to support CSU universities facing enrollment and budget challenges, of which \$45 million was directed to Sonoma State. The Budget Act of 2025 expressed legislative intent that the CSU increase resident undergraduate enrollment by 7,152 FTES in 2025-26 (to 349,999 FTES). If that level was not achieved, the State Director of Finance could reduce funding for CSU at a rate of \$10,983 per FTES for each student below the target level.

State Budget for Fiscal Year 2026-27

The 2026-27 State budget, as enacted on June 29, 2026 (the “Budget Act of 2026”) provides total ongoing General Fund appropriation for CSU of \$5.589 billion for fiscal year 2026-27, including approximately \$510 million in new ongoing General Fund support for fiscal year 2026-27, which moves the State closer to fulfilling the Multi-Year Compact and includes three components: a five percent base funding increase for the fifth and final year of the Multi-Year Compact (approximately \$265 million), an additional base funding increase for a portion of the fourth year of the Multi-Year Compact (approximately \$101 million), and a restoration of a 2025-26 reduction (approximately \$144 million). In connection with a \$144 million reduction in 2025-26, CSU entered into a one-time, zero-interest \$144 million loan with the State; the Budget Act of 2026 renews the authority for this loan and defers repayment for an additional year. The Budget Act of 2026 continues to defer \$252.3 million of one-time General Fund support (representing a five percent base increase for the fourth year of the Multi-Year Compact) to 2027-28, and also defers the remaining ongoing funding associated with the missed year of compact funding (\$151 million) in 2025-26 to 2028-29.

CSU Financial Statements

The most recent audited financial statements of CSU are attached to this Official Statement. See Appendix C — “AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025.” The audited financial statements are customarily presented to the Board annually for formal acceptance, typically during the Board’s first or second meeting of the year. The audited financial statements for fiscal year 2024-25, attached hereto as Appendix C, were presented to the Board during its regularly scheduled meeting held in March 2026 and are final. The audited financial statements are included as general background concerning the CSU System and provide certain information regarding Gross Revenues. The Series 2026 Bonds are secured solely by the Gross Revenues specifically pledged for repayment of principal and interest on the Series 2026 Bonds. No other assets or revenues of CSU are pledged to the repayment of the Series 2026 Bonds. See “SECURITY FOR THE SERIES 2026 BONDS” in this Official Statement.

CSU Grants, Contracts and Fundraising Activity

Table 11 below sets forth the grant and contract proceeds received by CSU and fundraising activity of CSU for fiscal years ended June 30, 2021 to 2025. Amounts shown are not included as part of the Gross Revenues and generally are restricted to specified uses.

TABLE 11
CALIFORNIA STATE UNIVERSITY
GRANTS, CONTRACTS AND FUNDRAISING ACTIVITY⁽¹⁾
2020-21 through 2024-25
(in millions)

<u>Sources</u>	<u>2020-21⁽²⁾</u>	<u>2021-22⁽²⁾</u>	<u>2022-23⁽²⁾</u>	<u>2023-24</u>	<u>2024-25</u>
Federal grants and contracts	\$2,439	\$3,233	\$1,856	\$1,777	\$2,088
State and local grants and contracts	1,068	1,036	1,400	1,638	1,943
Private gifts, grants and contracts	<u>542</u>	<u>532</u>	<u>425</u>	<u>426</u>	<u>421</u>
Total	<u>\$4,049</u>	<u>\$4,801</u>	<u>\$3,681</u>	<u>\$3,841</u>	<u>\$4,452</u>

⁽¹⁾ Includes Auxiliary Organizations.

⁽²⁾ Includes Higher Education Emergency Relief Fund (HEERF) grants.

Source: California State University

CSU Endowment Assets

As of June 30, 2025, the market value of the endowment assets of CSU and its related foundations was approximately \$3.06 billion, an increase from approximately \$2.73 billion as of June 30, 2024. The market value of the endowment assets of CSU and its related foundations as of June 30, 2023, June 30, 2022, and June 30, 2021, were approximately \$2.42 billion, \$2.23 billion, and \$2.35 billion, respectively. Changes in the market value of the endowment assets of CSU and its related foundations over the last five fiscal years have been primarily a result of movements in the financial markets. Because CSU does not rely significantly upon endowment funds to meet its operating needs, changes in the market value of CSU endowment assets are not expected to have a material impact on CSU operations. Furthermore, because endowment funds are not part of the Gross Revenues, changes in the market value of CSU endowment assets are not expected to have any effect on the Board's ability to pay the principal of, premium, if any, and interest on the Series 2026 Bonds when due.

OTHER MATTERS

Insurance

CSU has elected to commercially insure property with deductibles; self-insure its general liability and errors & omissions liability; and self-insure its workers' compensation exposures. Further, CSU procures excess and/or reinsurance on its general and errors & omissions liability as well as workers' compensation to provide coverage for large losses. CSU's vehicle liability is self-insured by the State's vehicle liability self-insurance program. As a State agency, CSU, the Office of the Chancellor, the Board, and its system of universities are included in these insurance and self-insured programs.

The office of Risk Management in the Chancellor's Office administers the property, general liability and workers' compensation programs. The State Office of Risk and Insurance Management administers the motor vehicle liability program.

The current coverage limits for CSU's insurance programs are as follows:

Property: \$1,000,000,000 per occurrence (excluding earthquake), deductibles ranging from \$100,000 to \$1,000,000.

General Liability: \$250,000,000 per occurrence for fiscal year 2025-26 and \$249,500,000 per occurrence for fiscal year 2024-25; Universities' Self-Insured Retention ranging from \$50,000 to \$900,000. The CSU Risk Management Authority pays a \$10 million self-insured retention, subject to the university's deductible.

Workers' Compensation: Statutory benefits and \$5 million for Employers Liability. As of January 1, 2015, the CSU has offset its self-insured exposure by placing primary workers' compensation coverage through risk transfer to the Public Risk Innovation, Solutions, and Management (PRISM).

Under the Employers Liability insurance, the State and its employees (as defined in Section 810.2 of the Government Code) are insured for any tort liability that may develop through carrying out official activities, including State official operations on non-State owned property.

Climate Change

The intensifying climate crisis continues to impact the CSU System, with universities regularly experiencing events such as flooding, extreme heat, wildfires, and poor air quality. The effects vary significantly across the State due to its diverse geography, landscape, development patterns, and local weather conditions, even between universities in close proximity. Further, these conditions disproportionately impact the most vulnerable members of communities that CSU universities serve. This variability combined with dynamic social implications complicates efforts to predict impacts and makes it challenging for the CSU to develop and deploy standardized mitigation tools. In turn, individual universities face ongoing difficulties preparing for and responding to extreme weather events, including public safety power shutoffs, flooding, and wildfire-related damage or financial loss.

Measuring and monitoring greenhouse gas emissions levels is fundamental to mitigation, and the CSU has entered into a service agreement to develop lifecycle cost analysis models that will account for Scope 3 emissions (as described below) and embodied carbon when implementing the capital construction program, university maintenance efforts, and engineering projects. Given the potential for wide-reaching financial and operational impacts, the Chancellor’s Office and universities continue to take proactive steps in carbon accounting, regulatory analysis and advocacy, and deployment of solutions. Lessons learned from recent climate events are being integrated into systemwide procurement efforts, policies, and reports to better prepare universities for future challenges.

In response to the climate crisis, the State of California continues to further restrict emissions and implement regulations designed to facilitate the energy transition and insulate the state from these disasters. These regulations are putting new and urgent pressure on universities to decarbonize without funding mechanisms to support them. The CSU is expanding advocacy activities in response to these requirements to encourage statutory dollars to pay for replacement equipment and infrastructure. Additionally, new grant opportunities, alternative financing structures and philanthropic strategies are being investigated to help ensure universities are able to meet their decarbonization goals.

Increasingly, students and their families are considering climate-centered curriculum, climate leadership and sustainability commitments as major factors in their college decision-making process. Demonstrating bold, actionable progress in climate policy not only supports the CSU’s environmental goals but also strengthens its position as a top-choice institution for students seeking purpose-driven, future-oriented academic environments.

As the CSU embarks on new academic partnerships with sister systems such as the California Community College system, opportunities for collaboration in areas of energy service contracting and energy procurement are being pursued. With the goal of using the systems’ combined heft to capture economies of scale and spur market transformation, programs like direct access wholesale energy procurement can result in utility savings for both systems while increasing renewable energy power content to further decarbonization efforts.

The CSU remains steadfast in its commitment to combating climate change. Resiliency is now a foundational principle of CSU’s sustainability approach, reinforced in the development of the Climate Resilient Infrastructure Guidelines, Microgrid Roadmap, and the most recent update to the CSU Sustainability Policy adopted by the Board of Trustees in March 2022 (the “Sustainability Policy”). The Sustainability Policy encourages universities to consider a wider range of environmental conditions—some previously perceived as unrelated to their locations—and aims to ensure that students graduate with a strong understanding of climate issues and strategies for addressing them.

The CSU has also expanded its approach to decarbonization, a critical strategy for reducing emissions and combating climate change. The CSU Decarbonization Framework, organized by emissions scopes, offers universities tailored resources for identifying, developing, and implementing carbon reduction plans. These include strategies such as system electrification, energy efficiency improvements, renewable energy adoption, and energy storage projects. These efforts are essential to meeting the system’s goal of achieving carbon neutrality by 2045, as outlined in the Sustainability Policy.

CSU and Climate Action: Systemwide Carbon Reduction Strategies

Carbon reduction targets are now mandated at both federal and state levels, with funding available through competitive grants, rebates, and incentives. The CSU is well positioned to leverage this funding, supplementing state allocations with university-led initiatives that address emissions across the following scopes:

- Scope 1: Direct emissions reductions via on-site renewable energy and university utility upgrades
- Scope 2: Indirect emissions reductions through building commissioning and energy efficiency contracts
- Scope 3: Reductions in supply chain and embedded emissions, supported by data collection and systemwide services

The CSU is actively coordinating with the State Legislature to ensure alignment between systemwide sustainability goals and State-level priorities. This collaboration includes support for legislative programs, budget allocations, and policies that enable universities to accelerate decarbonization efforts and expand access to external funding sources.

Key tools and programs available to universities include:

- Direct Access University Lottery and On-Site Renewable Energy Investments (Scope 1)
- Systemwide Building Commissioning Contract for Energy Efficiency (Scope 2)
- Transportation Data Collection Contract (Scope 3)
- Climate Resilient Infrastructure Guidelines to support safe, adaptable design
- Infrastructure and Resilience Grants Program
- Life Cycle Cost Analysis (LCCA) toolkit to inform capital project decisions
- Performance Contracting for energy efficiency (ESCO) financing and execution
- Demand Response and Emergency Load Reduction Program to aid grid support and generate university revenue
- Systemwide Geothermal Potential Study

Cybersecurity

Cyber threats have been continually increasing in terms of both frequency and diversity. As a higher education institution, CSU heavily relies on a complex technological infrastructure to carry out its operations. As a recipient and provider of personal, private, and/or other sensitive information, CSU faces a variety of risks to its networks and systems, including but not limited to hacking, viruses, malware and other intrusions on its networks and systems. To address these risks, CSU has implemented multiple cybersecurity measures and operational controls. This includes the establishment of systemwide policies and procedures for incident management, as well as increasingly collaborative operational security initiatives. Leading these efforts is the Systemwide Chief Information Security Officer, who heads the Information Security Management department of the CSU System. This role provides leadership for the overall Information Security Program of the CSU and its universities. No assurances can be given that the CSU's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact CSU's operations or finances.

COVID-19 Related Litigation

Between April and December 2020, a total of eight putative class action complaints were filed by or on behalf of CSU students against CSU – five in state court and three in federal court – seeking refunds of tuition and fees collected for the Spring 2020 term and academic year 2020-2021. Collectively, the complaints asserted claims for breach of contract, unjust enrichment, conversion, violation of the Takings Clause of the Constitution of the United States, and other related claims. The complaints alleged and were based on the contention that students did not receive all of the benefits associated with the tuition and fees they paid because of CSU's response to the COVID-19 pandemic. The complaints sought a pro rata refund of tuition and fees or a combination thereof, from the date each university transitioned to virtual instruction until in-person instruction resumed. The three federal court cases were dismissed. The five state court cases were consolidated into a single action. All of the claims alleged in the consolidated state action were initially or eventually dismissed by the court except for a claim of unjust enrichment. Plaintiffs filed a motion for class certification, which was granted only to three universities (Sonoma State University, California State Polytechnic University, Pomona, and California State University, San Bernardino). The remaining 20 universities were removed from the class action. The case was previously set for a jury trial on June 1, 2026, as to the one remaining cause of action for unjust enrichment limited solely to the Spring 2020 term. Prior to trial, the parties reached a settlement that resolved the litigation in its entirety. The settlement is subject to court approval. A hearing on the motion for preliminary approval of the proposed class action settlement is currently scheduled for August 31, 2026.

Impact of Federal Policy Changes

Federal funding is subject to federal legislative action, including through the federal budget process and sequestration. Legislative and executive actions at the federal level, including actions which may freeze, pause, reduce, eliminate or reallocate federal grant, loan and other forms of financial assistance, make changes to regulations and programs, or make policy or funding level changes affecting the Department of Education, federal financial aid programs, or the Department of Health and Human Services, among others, each have the potential to affect the availability of federal funds in the higher education sector, whether directly or indirectly for students or universities, and the focus and implementation of such policies, programs and actions have the potential to shift significantly from

year to year or over time. In general, policies and actions of the federal government may reduce or otherwise change the availability of federal support in various ways for research, operations or student financial aid, or necessitate the reallocation of time and resources to address program changes, formal or informal investigations, enforcement actions or other requests or directives made by governmental agencies.

CSU receives or otherwise benefits from grants and other federal funding (either directly or indirectly). In fiscal year 2024-25, CSU recognized revenues of approximately \$72.5 million in federal funds from grants and contracts, approximately \$1.4 billion in federal financial aid grants and approximately \$4 million in other federal nonoperating grants. Federal legislative and executive actions and initiatives such as those generally described above, or others, could impact CSU; however, CSU cannot predict these changes, or any potential impact they may have in the future.

Audits, Compliance Reviews and Other Inquiries

At all times, including the date of this Official Statement, there are audits and compliance reviews that arise in the normal course of CSU's activities. Such audits and compliance reviews may relate to any activity at CSU, and may be conducted by persons within or outside CSU, including but not limited to the CSU division of Audit and Advisory Services, the California State Auditor, external auditors, and a variety of other federal and State governmental agencies. At the time of this Official Statement, the Board is not aware of any completed or pending audit or review concerning matters that are likely to have a material adverse effect on the Board's ability to pay the principal of and interest on the Systemwide Revenue Bonds when due.

The CSU is monitoring various changes in federal policy and their potential impact on the CSU. Some of the changes may result in reduced funding received from the federal government for various programs, such as research grant funding and funding from the Department of Education. However, the full extent of such impacts is not yet known and is not expected to materially impact Gross Revenues or the CSU's ability to meet its obligations under the Systemwide Revenue bond program.

Seismicity

New and renovated buildings designed for CSU adhere to the latest seismic requirements as detailed in Title 24 of the California Code of Regulations. CSU maintains a standing body of consulting structural and/or civil engineers collectively known as the Seismic Review Board to advise on earthquake related construction matters relative to its systemwide capital program. Each major capital project involving structural and non-structural elements related to seismic safety undergoes seismic peer review by a member of this board as additional good practice measures beyond the building code plan check review that also occurs for each project. Seismic peer review is an objective technical review by an independent, knowledgeable reviewer experienced in the structural design, analysis and performance issues involved. The purpose of the seismic review is to assure project quality and provide a measure of additional assurance regarding good practices, and the performance and safety of completed projects relative to the standards outlined in policy and the CSU Seismic Requirements.

CSU currently purchases limited parametric earthquake coverage with a maximum benefit of \$25,000,000 in aggregate.

Labor Relations

There are approximately 64,800 CSU represented and non-represented employees, excluding student assistants, who depending on the time of year range in number from 10,000 to 23,000. Exclusive bargaining unit representatives include:

- The California Federation of the Union of American Physicians and Dentists ("UAPD")
- California State University Employees Union ("CSUEU")
- California Faculty Association ("CFA")
- Academic Professionals of California, Local 1002 ("APC")
- Teamsters Local 2010 ("Teamsters 2010")

- Statewide University Police Association (“SUPA”)
- International Union of Operating Engineers, Local 39, AFL-CIO (“IUOE”)
- International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, AFL-CIO and its Local Union 4123 (“UAW”)
- CSUEU English Language Program Instructors, CSU Monterey Bay
- CSUEU, Student Assistants

The contract for CFA, the exclusive representative for the Faculty unit, expired on June 30, 2025; negotiations for a successor agreement are in progress. The UAPD has an agreement with CSU covering the terms and conditions of employment for its members, the Physicians unit, that expired on June 30, 2025; negotiations for a successor agreement are in progress. The contract between the UAW, the exclusive representative for academic student employees, and CSU, expired on October 31, 2025; negotiations for a successor agreement are in progress. Employees in the Health Care Support, Operations & Support Services, Clerical/Administrative Support Services, and Technical & Support Services units are represented by CSUEU, which has an agreement with the CSU covering the terms and conditions of employment that expires on June 30, 2026; negotiations for a successor agreement are in progress. CSUEU represents the American Language and Cultural Program Instructors, CSU Monterey Bay, which negotiated a contract with CSU that expires on June 30, 2026; negotiations for a successor agreement are in progress. The contract between CSU and Teamsters 210, which represents employees in the Skilled Crafts unit, expires on June 30, 2026; negotiations for a successor agreement are in progress. The contract for SUPA, the exclusive representative for employees in the Public Safety unit, expires on June 30, 2026; negotiations for a successor agreement are in progress. APC, the exclusive representative for employees in the Academic Support unit, which has an agreement with the CSU covering the terms and conditions of employment that will expire on June 30, 2027. The CSU is currently in negotiations with APC regarding limited articles in re-opener bargaining. The IUOE, which represents trades workers at Cal Poly Maritime Academy (formerly California State University Maritime Academy) has an agreement with the CSU covering the terms and conditions of employment that will expire on June 30, 2027. The CSU is currently in negotiations with IUOE regarding limited articles in re-opener bargaining. On March 5, 2024, the Public Employment Relations Board certified the California State University Employees Union as the exclusive representative of student assistants. Negotiations for an initial agreement are in progress. As required by law, the terms of any expired contract continue to be observed until a successor contract is in place.

Retirement System

As an agency of the State, the CSU participates in a pension plan administered by the California Public Employees’ Retirement System (“CalPERS”), which serves as both the investment and administrative agent for its member employers. CalPERS is a statewide retirement system governed and operated pursuant to Part 3 (commencing with Section 20000), Division 5, Title 2 of the California Government Code. The plan is structured as an agent multiple-employer defined-benefit pension plan.

For the CSU specifically, the plan operates on a cost-sharing multiple-employer basis under the State Miscellaneous Tier 1 Plan and Peace Officers & Firefighters Plan. The plan provides defined-benefit pension and postretirement benefits to substantially all eligible CSU employees, including survivor, death, and disability benefits. Generally, CSU employees are eligible to participate in CalPERS if they are full-time employees working more than six months, or part-time employees averaging at least 20 hours per week for one year.

CalPERS retirement benefits are funded through employer-paid contributions, employee contributions, and the plan’s investment earnings. Employer contribution rates for CSU and other state agencies are determined annually by CalPERS based on actuarial studies to meet defined pension benefit obligations. California Government Code Section 20814 states that “the Governor shall include the contribution rates adopted by the board for the liability of benefits on account of employees of the State” (General Fund supported salaries), and “the Legislature shall adopt the board contribution rates and authorize the appropriation in the Budget Act.”

The majority of CSU’s CalPERS-eligible employees are in the State Miscellaneous Tier 1 category. Employees in this category hired before January 1, 2013 contribute 5% of annual compensation in excess of \$513 per month. Employees hired on or after January 1, 2013 are subject to the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”). Under PEPRA, Government Code Section 7522.30 establishes equal sharing

of normal costs between employers and employees as the standard, requiring employees to pay at least 50% of normal costs as determined by annual actuarial valuation. Pursuant to Government Code Section 7522.74, the contribution rate for these employees was 8% in fiscal year 2024-25 and remain 8% in fiscal year 2025-26.

CSU's total employer contribution to CalPERS from all funds (i.e., General Fund, Trust Operating Fund, CSU Lottery Education Fund, Professional and Continuing Education Revenue Fund, and Dormitory Revenue Fund--Housing and Parking) totaled approximately \$1 billion in fiscal year 2024-25 (reported as deferred outflows of resources as of June 30, 2025). See Appendix C — "AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025" at Note (12).

The size of CalPERS' unfunded pension liability varies from year to year and is affected by various factors, including investment returns, benefit levels, and the ratio of retirees to active employees. The funding level for the CalPERS Public Employees' Retirement Fund was 75% as of June 30, 2024. Based on an estimated discount rate of 6.8% and an investment return of 11.6% for fiscal year 2024-25, the funded status was estimated to be 79.0% for fiscal year 2024-25. Over the last decade, the State has taken significant steps toward addressing its retirement liabilities through public pension law reform and the implementation of funding strategies to pay down unfunded pension and retiree health benefit obligations. As part of these efforts, the State has allocated billions of dollars in supplemental funding beyond its required annual contributions to CalPERS, which has helped reduce unfunded liabilities and moderate future contribution increases. The 2025-26 State budget includes \$584 million in one-time Proposition 2 debt repayment funding to further reduce the unfunded liabilities of the CalPERS state plans. As of the 2025 Budget, an additional \$2.1 billion is projected to be paid to CalPERS over fiscal years 2026-27 through 2028-29 to continue reducing the state's unfunded liability, subject to the availability of Proposition 2 funding during that period.

State funding for CSU retirement expenses is based on a salary base frozen at fiscal year 2013-14 pensionable payroll levels, pursuant to provisions in the State Budget Act for that year. As a result, State funding for CSU retirement expenses is calculated on this frozen base. As of the date of this Official Statement, CSU administration has not experienced a material impact on CSU operations, Gross Revenues, or the Board's ability to pay the principal of, premium, if any, and interest on Systemwide Revenue Bonds when due as a result of its retirement expenses.

Net pension liability represents CSU's proportionate share of the State's total pension obligation, less CSU's proportionate share of the pension plan's fiduciary net position. The net pension liability amounted to \$7.9 billion as of June 30, 2025, a decrease from \$8.9 billion as of June 30, 2024. The decrease is due mainly to differences in investment earnings. For the year ended June 30, 2025, CSU recognized pension expense of \$1 billion which was reported as benefits expense. See Appendix C — "AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025" at Note (12).

Postretirement Healthcare Plan and Social Security

The State provides retiree healthcare benefits to statewide employees, including CSU employees, through the programs administered by CalPERS. The State's substantive plan is structured as an agent multiple-employer defined-benefit other postemployment benefits ("OPEB") Plan.

The State funds the employer-paid share of postretirement healthcare benefits, while CSU pays the cost of dental benefits for eligible CSU retirees. Both are funded primarily on a "pay-as-you-go" basis. CSU reimburses the State for the portion of postretirement healthcare benefits attributable to billable accounts, reflecting CSU's non-State revenue sources.

CSU's total OPEB liability amounted to \$15.2 billion as of June 30, 2025. The discount rate used to estimate the net OPEB liability was 3.97%, based on Fidelity Index's 20-Year Municipal GO AA Index, as CSU has no OPEB plan assets sufficient to make benefit payments. The OPEB contribution amounted to \$519 million for the fiscal year ended June 30, 2025, including a \$478 million contribution from the State on behalf of CSU as authorized by California Government Code Section 22871. See Appendix C — "AUDITED FINANCIAL STATEMENTS OF THE CALIFORNIA STATE UNIVERSITY AS OF JUNE 30, 2025" at Note (13).

Social security (“OASDI and Medicare”) benefits are funded through equal contributions from employer and employees, with rates established by federal regulations. CSU contributed \$309 million for OASDI and Medicare for the fiscal year ended June 30, 2025. Social security expenditures increased slightly due to CSU salary growth and an increase in the social security taxable wage base, which increased from \$168,600 in 2024 to \$176,100 in 2025.

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APPENDIX B

INFORMATION REGARDING THE UNIVERSITIES OF THE CALIFORNIA STATE UNIVERSITY SYSTEM

California State University, Bakersfield

California State University, Bakersfield was founded in 1965 and in September 1970 became the nineteenth university of the CSU system. The university consists of four academic schools: Arts and Humanities; Business and Public Administration; Natural Sciences, Mathematics and Engineering; Social Sciences and Education. Professional and Continuing Education (“PaCE”) is offered through the Extended University program. It also runs the Antelope Valley offsite campus in Lancaster.

California State University Channel Islands

California State University Channel Islands opened in Fall 2002 as the twenty-third and youngest university of the CSU system. The university consists of three schools: Arts and Sciences; Education; and the Martin V. Smith School of Business & Economics. PaCE is offered through the Extended University which serves international students, veterans, working professionals and lifelong learners.

California State University, Chico

California State University, Chico, the second-oldest university of the CSU system, began in 1887 as the northern branch of the California State Normal School, a network of two-year preparatory schools for teachers. Since then, it has progressed from an independent normal school to a state teachers college in 1921; a state college in 1935; and finally into California State University, Chico in 1972. The university serves a twelve-county area and is composed of seven colleges: Agriculture; Behavioral and Social Sciences; Business; Communication and Education; Engineering, Computer Science, and Construction Management; Humanities and Fine Arts; and Natural Sciences. PaCE is offered through the Chico State Professional and Continuing Education program.

California State University, Dominguez Hills

Established by the State Legislature in 1960, California State University, Dominguez Hills opened as the California State College at Palos Verdes in 1965. The following year, the college moved to the City of Carson and was renamed California State College, Dominguez Hills. The university is organized into six colleges: Arts and Humanities; Business Administration and Public Policy; Education; Natural and Behavioral Sciences; Health, Human Services and Nursing; and Continuing and Professional Education.

California State University, East Bay

California State University, East Bay was established by the State Legislature in 1957 and welcomed its first students in 1959 as the State College for Alameda County. The university moved to its current Hayward site in 1963, becoming California State College at Hayward in 1964. The campus received university status in 1972 and was renamed California State University, Hayward. In 2005, it was renamed California State University, East Bay. The university is organized into four academic colleges: Letters, Arts, and Social Sciences; Business and Economics; Education and Allied Studies; and Science. PaCE is offered through the Continuing Education program. The university also runs the Concord Center which is located in Contra Costa County.

California State University, Fresno

Founded as Fresno State Normal School in 1911, California State University, Fresno is located in the heart of the State, which makes it convenient to all major points in California. The university consists of eight schools and colleges (Arts and Humanities; Health and Human Services; Science and Mathematics; Social Sciences; Jordan College of Agricultural Sciences and Technology; Lyles College of Engineering; Craig School of Business; and

Kremen School of Education and Human Development). PaCE is offered through the Division of Continuing and Global Education.

California State University, Fullerton

California State University, Fullerton was established by legislation enacted in 1957. The university is located in north Orange County and has eight colleges: Arts; Business and Economics; Communications; Education; Engineering and Computer Science; Health and Human Development; Humanities and Social Sciences; and Natural Sciences and Mathematics. PaCE is offered through the University Extension and International Education and Engagement Programs.

California State Polytechnic University, Humboldt

California State Polytechnic University, Humboldt, the northernmost university of the CSU system, was established in 1913 as a normal school and became Humboldt State Teacher's College and Junior College in 1921. In 1935, the campus name was changed to Humboldt State College, and in 1974, it became Humboldt State University. In January 2022, it was redesignated as California State Polytechnic University, Humboldt, as part of a comprehensive strategy to address the workforce shortage in science, technology, engineering and mathematics (STEM) fields, expand opportunities for students while addressing equity gaps, and revitalize the North Coast economy. The university is organized into three academic colleges: Arts, Humanities, and Social Sciences; Natural Resources and Sciences; and Professional Studies. PaCE is offered through the College of Extended Education and Global Engagement.

California State University, Long Beach

California State University, Long Beach first began instruction in September 1949 as a state college. In 1950, the campus moved to its present site, which was donated to the State by the City of Long Beach, and in 1972 was named California State University, Long Beach. The university is organized into eight colleges: Arts; Business; Education; Engineering; Health and Human Services; Liberal Arts; Natural Sciences and Mathematics; and College of Professional and Continuing Education.

California State University, Los Angeles

Los Angeles State College was founded by an act of the State Legislature in July 1947 and in 1955, the university broke ground on its current site. It officially became California State University, Los Angeles in 1972, and is organized into eight colleges: Arts and Letters; Business and Economics; Education; Engineering, Computer Science, and Technology; Ethnic Studies; Natural and Social Sciences; Rongxiang Xu College of Health and Human Services; and Professional and Global Education.

California State University, Monterey Bay

In 1994, a plan to convert Fort Ord, a former military base, into a university was passed, and a year later California State University, Monterey Bay admitted its first students. Today, the university includes the colleges of Arts, Humanities and Social Sciences; Business; Education; Health Sciences and Human Services; and Science, along with the College of Extended Education and International Programs.

California State University, Northridge

Created in 1956 as the San Fernando Valley Campus of Los Angeles State College of Applied Arts and Sciences, the campus separated from its parent institution on July 1, 1958, as San Fernando Valley State College. By action of the State Legislature, the Governor and the Board, the campus became California State University, Northridge, in 1972. It is composed of eight academic colleges: Engineering and Computer Science; Health and Human Development; Humanities; Science and Mathematics; Social and Behavioral Sciences; Mike Curb College of Arts, Media, and Communication; David Nazarian College of Business and Economics; and Michael D. Eisner

College of Education. PaCE is offered through the Tseng College for Graduate, International and Midcareer Education.

California State Polytechnic University, Pomona

California State Polytechnic University, Pomona opened in 1938 as the Voorhis Unit of the California State Polytechnic College (a predecessor to California Polytechnic State University, San Luis Obispo). In 1949, cereal magnate W.K. Kellogg deeded 813 acres of land located three miles south of the Voorhis campus to the State of California, and in 1956, the university community moved to the Kellogg Ranch campus. In 1966, Cal Poly Pomona separated from the San Luis Obispo university to become California's sixteenth state college, and university status was granted in 1972. Cal Poly Pomona comprises eight academic colleges: Business Administration; Education and Integrative Studies; Engineering; Environmental Design; Letters, Arts, and Social Sciences; Science; Don B. Huntley College of Agriculture; and Collins College of Hospitality Management. PaCE is offered through the College of Professional and Global Education.

California State University, Sacramento

California State University, Sacramento was founded in 1947 and, shortly afterward, moved to its permanent location on the southwest bank of the American River, approximately five miles from the State Capitol. The university is organized into seven academic colleges: Arts and Letters; Business Administration; Education; Engineering and Computer Science; Health and Human Services; Natural Sciences and Mathematics; and Social Sciences and Interdisciplinary Studies. PaCE is offered through the College of Continuing Education.

California State University, San Bernardino

In 1960, the State Legislature authorized the establishment of the State College for San Bernardino and Riverside counties, and the campus opened in 1965. In 1984, it earned university status, and became California State University, San Bernardino. The university is composed of six colleges: Arts and Letters; James R. Watson and Judy Rodriguez Watson College of Education; Natural Sciences; Social and Behavioral Sciences; Jack H. Brown College of Business and Public Administration; and College of Extended and Global Education. The university also runs the Palm Desert Campus, which opened in 1986 as Coachella Valley Center.

San Diego State University

Established in 1897 as a normal school, San Diego State University was temporarily quartered in downtown San Diego while its campus site was under construction north of Balboa Park. The normal school was reorganized as a four-year state teachers college in 1921 and moved to its present site ten years later. In 1935, the name was changed to San Diego State College. University status was achieved in 1972, and the university was renamed San Diego State University in 1974. The university is composed of eight academic colleges: Arts and Letters; Education; Engineering; Graduate Studies; Health and Human Services; Professional Studies and Fine Arts; Sciences; and Fowler College of Business. PaCE is offered through the San Diego State University Global Campus. The university also runs two offsite centers, Calexico and Brawley, which make up San Diego State University Imperial Valley.

San Francisco State University

Founded in 1899 as San Francisco State Normal School and renamed San Francisco State Teachers College in 1921, the university was granted full university status in 1972, and the name San Francisco State University was formally adopted in 1974. The university has six academic colleges: Lam Family College of Business; Graduate College of Education; Ethnic Studies; Health and Social Sciences; Liberal and Creative Arts; and Science and Engineering. PaCE is offered through the College of Professional and Global Education. The university also runs an offsite center in downtown San Francisco.

San José State University

Founded in 1857, San José State is the oldest public institution of higher education on the West Coast. San José State began as Minns' Evening Normal School in San Francisco in 1857 and became a state school — the California Normal School — by an act of the State Legislature in 1862. After several name changes, the institution was formally named the San José State University by legislation in 1974. The university is comprised of eight colleges: Health and Human Sciences; Humanities and the Arts; Science; Social Sciences; Lucas College and Graduate School of Business; Connie L. Lurie College of Education; Graduate Studies; and Charles W. Davidson College of Engineering. PaCE is offered through the College of Professional and Global Education.

California Polytechnic State University, San Luis Obispo

California Polytechnic State University, San Luis Obispo (“Cal Poly San Luis Obispo”) was established in 1901 by the State Legislature to provide practical instruction in many technical fields. The first classes met on October 1, 1903. The university is comprised of six colleges: Agriculture, Food and Environmental Sciences; Architecture and Environmental Design; Engineering; Liberal Arts; Bailey College of Science and Mathematics; and Orfalea College of Business. PaCE is offered through the Extended, Professional and Continuing Education Program. In November 2024, the Board approved the phased integration of California State University Maritime Academy, previously a standalone university of CSU which was originally established by the State legislature in 1929 as the California Nautical School, with California Polytechnic State University, San Luis Obispo. It is expected that students enrolling in Fall 2026 will include the first official enrollees at Cal Poly Maritime Academy as Cal Poly San Luis Obispo students. See Appendix A – “CALIFORNIA STATE UNIVERSITY – GENERAL” and “ – THE CSU SYSTEM AND UNIVERSITIES – Enrollment.”

California State University San Marcos

California State University San Marcos was established in 1989 as the twentieth university of the CSU system. The university is composed of four colleges: Business Administration; Education, Health and Human Services; Humanities, Arts, Behavioral and Social Sciences; and Science, Technology, Engineering and Mathematics. PaCE is offered through the Extended Learning program.

Sonoma State University

Sonoma State University, established by the State Legislature in 1960, first opened in 1961 in temporary facilities located in Rohnert Park and moved to its permanent campus site in 1966. The university is organized into three colleges: Education, Counseling and Ethnic Studies; Humanities, Social Sciences, and the Arts; and Science, Technology, and Business. PaCE is offered through the School of Extended and International Education.

California State University, Stanislaus

California State University, Stanislaus was established by the State Legislature in 1957 and first offered classes in September of 1960 in temporary quarters at the Stanislaus County Fairgrounds in Turlock. The university moved to its permanent site in Turlock in 1965. The university is organized into four colleges: Arts, Humanities and Social Sciences; Business Administration; Education, Kinesiology and Social Work; and Science. PaCE is offered through the Continuing and Professional Education program. The university also runs the Stockton offsite center in San Joaquin County.

APPENDIX C
AUDITED FINANCIAL STATEMENTS
OF THE CALIFORNIA STATE UNIVERSITY
AS OF JUNE 30, 2025

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CALIFORNIA STATE UNIVERSITY, CHICO



CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS



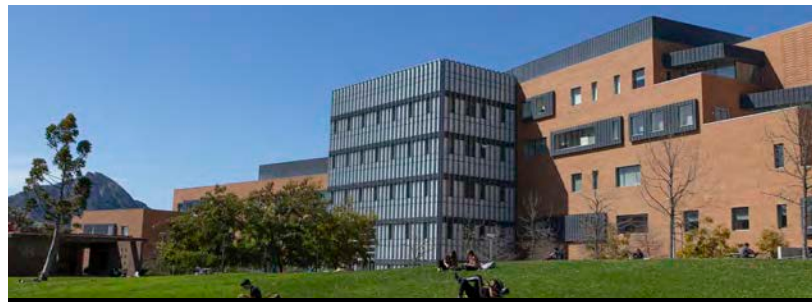
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE



CALIFORNIA STATE UNIVERSITY, FULLERTON



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD



CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO



CALIFORNIA STATE UNIVERSITY, EAST BAY



CALIFORNIA STATE UNIVERSITY, SONOMA



CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA



CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Table of Contents

	Page
Letter from the Executive Vice Chancellor, Chief Financial Officer	3
Independent Auditors' Report	5
Management's Discussion and Analysis - Required Supplementary Information (Unaudited)	9
Basic Financial Statements:	
Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Net Position	30
Statement of Cash Flows	32
Notes to Financial Statements	36
Required Supplementary Information (Unaudited):	
Schedule 1: Schedule of University's Proportionate Share of the Net Pension Liability and Related Ratios	92
Schedule 2: Schedule of Employer Contributions Related to Pension	93
Schedule 3: Schedule of University's Total Other Postemployment Benefits Liability and Related Ratios	95
Schedule 4: Schedule of Employer Contributions Related to Other Postemployment Benefits	96
Supplementary and Other Information:	
Schedule 5: Systemwide Revenue Bond Program's Net Income Available for Debt Service	99
Schedule 6: Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus*	100
Schedule 7: Systemwide Revenue Bond Program's Statement of Insurance Coverage*	102
*Other Information	

LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



LETTER FROM THE INTERIM EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



The California State University remains the nation's preeminent university for educating students from all walks of life who seek the transformative power of a CSU degree. As the nation's largest and most diverse four-year public university system, the CSU educates more than 470,000 students across 22 universities.

We are proud to report that at the conclusion of Graduation Initiative 2025—the CSU's flagship student success effort—the system has nearly doubled its four-year graduation rates for first-year, first-time students, resulting in an additional 170,000 students earning a CSU degree. Now, with the launch of the CSU's new student success framework, the university is expanding its definition of student success beyond retention and graduation rates to include student satisfaction, career earnings, socioeconomic mobility and alumni engagement. Together with the new systemwide strategic plan, CSU Forward, the framework will enable the university system to anticipate and meet changing student and workforce needs, and to continue to provide our graduates with a path to social mobility and financial security for themselves and their families.

Despite the fiscal challenges and constraints facing public higher education in California and across the country, the CSU continues to advance its mission on behalf of its students and the state. As reported in the CSU's audited consolidated financial statements for fiscal year 2024-25 sent herewith, the university system's revenue increased slightly from the prior year, once adjusted for a \$1 billion one-time state appropriation return in 2023-24. Core operating revenues from tuition and state funding grew 3%, while operating expenses rose approximately 8%, driven primarily by inflation and increases in benefit and compensation costs. The CSU ended the year with a deficit net position, primarily due to obligations for pension and retiree health benefits exceeding university assets available to pay for such obligations. Without those obligations, the CSU's unrestricted net position rose by approximately \$252 million in 2025.

Financial resources entrusted to the CSU continue to be an investment with a powerful and tangible return. In fact, a 2025 economic impact report has found that for every dollar the state invests in the CSU, it is rewarded with a \$7.69 return in statewide industry activity. Add in the earnings of CSU alumni across California, and the return on that \$1 investment grows to more than \$35.

The CSU is the university system of choice for California families seeking value, affordability and excellent preparation for well-paying careers. The power of a CSU degree to transform lives and provide an excellent value is affirmed year after year by national college rankings that place CSU institutions at the top for affordability, upward social mobility and workforce preparation. Every CSU was named in the Washington Monthly's "Best Bang for the Buck" and "Best Colleges for Your Tuition (and Tax) Dollars" lists in 2025, and all our campuses were rated four stars or above for affordability, academic excellence and return on investment by Money.com in 2025.

As we look ahead, Chancellor Mildred García is laser-focused on advancing the four core objectives of CSU Forward: 1) Building on the CSU's strength as a driver of economic mobility; 2) Attaining sustainable affordability and expanding access for California students; 3) Becoming the employer of choice in public higher education; and 4) Amplifying the CSU's statewide impact and leading regional economic development.

With clear priorities and a vision of its path forward, the California State University stands ready to do more, and to serve as a vital and trusted resource to the state as we work together to build California's brightest future.

For California,

A handwritten signature in black ink that reads "Patrick J. Lenz". The signature is written in a cursive, flowing style.

Patrick J. Lenz
Interim Executive Vice Chancellor, CFO
The California State University

INDEPENDENT AUDITORS' REPORT





KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

The Board of Trustees
California State University:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the California State university (the University, an agency of the State of California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements for the year then ended as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Except for the financial statements of the California State University Institute and the California State University Risk Management Authority, we did not audit the financial statements of the other discretely presented component units listed in note 2 to the financial statements, which represent 98.5% and 95.6%, respectively, of the total assets and revenues of the aggregate discretely presented component units as of June 30, 2025 and for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they related to the amounts included for those entities, are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in note 1, the financial statements of the University are intended to present the financial position, the changes in financial position, and, where appropriate, cash flows of only that portion of the business-type activities, each major fund, and the aggregate discretely presented component units of the State of California that is attributable to the transaction of the University. They do not purport to, and do not, present fairly the financial position of the State of California, as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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 Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of University's proportionate share of the net pension liability and related ratios, schedule of employer contributions related to pension, schedule of University's total other postemployment benefits liability and related ratios, and schedule of employer contributions related to other postemployment benefits 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 supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information included in Schedule 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The other supplementary information included in Schedules 6 and 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial report and compliance.

KPMG LLP

Los Angeles, California
November 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

The management's discussion and analysis provides an overview of the financial position and operating performance of the California State University, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 93 discretely presented component units as of and for the year ended June 30, 2025.

In November 2024, the CSU Board approved the integration of California Polytechnic State University, San Luis Obispo with the California State University Maritime Academy. Starting July 1, 2025, the two institutions will operate as one university under the California Polytechnic State University, San Luis Obispo name, with the former Maritime campus becoming the Solano Campus and the California State University system will consist of 22 campuses and the Office of the Chancellor.

This discussion has been prepared by management and should be read in conjunction with the audited financial statements and accompanying notes that follow this section. Separate financial statements for each of the discretely presented component units are available from the respective campuses. Unless otherwise noted, years (2025 and 2024, etc.) correspond to the fiscal year ended June 30.

The California State University

The University promotes student success through high-quality education that prepares students to become leaders in the changing workforce, making the University a vital economic engine for California.

The University was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals in the liberal arts and sciences. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the chancellor. The Chancellor is the chief executive officer of the University. The University presidents are the chief executive officers of the respective campuses.

The discretely presented component units of the University consist primarily of recognized auxiliary organizations. These not-for-profit organizations are separate legal entities created in support of the University through student self-governance, student body center, union, and recreation center, externally supported research and sponsored programs, commercial services, and philanthropic activities.

Financial Statements

The financial statements of the University are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities.

The financial statements include the following components:

- Independent Auditors' Report presents an unmodified opinion prepared by the University's auditor, KPMG, LLP.
- The Statement of Net Position presents the financial position of the University. It displays all assets, deferred outflows, liabilities, deferred inflows and net position. Its purpose is to present the financial position.
- The Statement of Revenues, Expenses, and Changes in Net position presents the University's total revenues earned and expenses incurred for operating and nonoperating activities. Its purpose is to present the changes in net position.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

- The Statement of Cash Flows presents the University's sources and uses of cash.
- The Notes to the Financial Statements provide additional information that is essential to a full understanding of the financial statements. References to these notes are included in this discussion to direct readers to details of the financial information presented.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Financial Position

A condensed comparative Statement of Net Position is as follows:

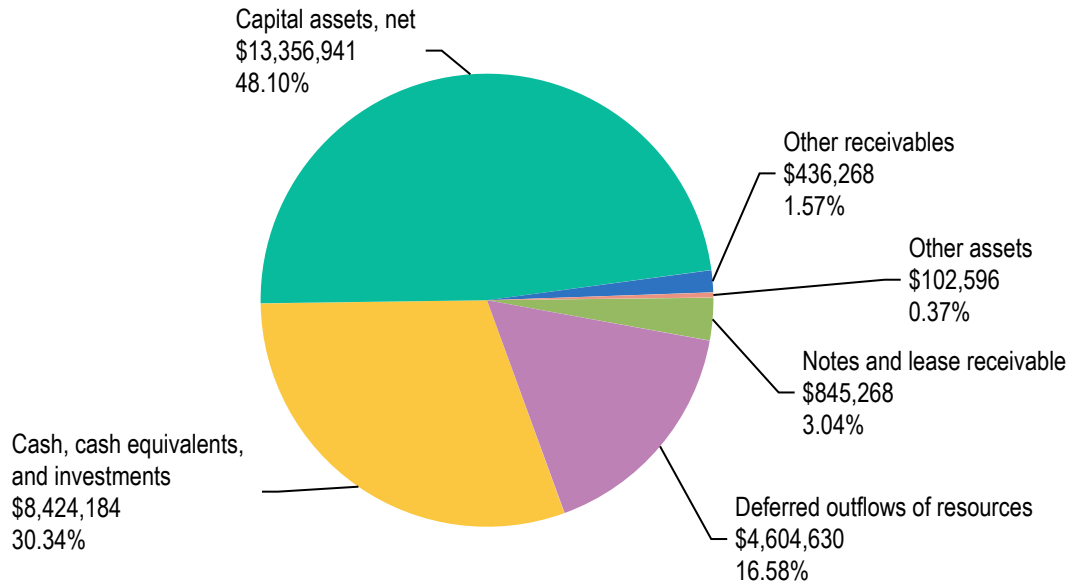
	University		Discretely presented component units	
	2025	2024	2025	2024
	(In thousands)			
Assets				
Current assets	\$ 6,271,761	6,332,692	2,233,896	2,246,778
Capital assets, net	13,356,941	12,658,727	1,275,229	1,092,191
Other noncurrent assets	3,536,555	3,270,697	4,430,479	4,113,192
Total assets	23,165,257	22,262,116	7,939,604	7,452,161
Deferred outflows of resources	4,604,630	5,446,331	49,504	65,695
Liabilities				
Current liabilities	2,517,404	2,624,840	705,039	753,649
Noncurrent liabilities	34,273,328	33,239,676	1,223,389	1,183,664
Total liabilities	36,790,732	35,864,516	1,928,428	1,937,313
Deferred inflows of resources	3,517,751	4,636,704	453,151	461,439
Net position				
Net investment in capital assets	3,659,674	3,669,130	495,509	437,783
Restricted				
Nonexpendable	1,605	1,612	2,153,510	1,999,323
Expendable	283,699	146,563	1,774,148	1,570,019
Unrestricted	(16,483,574)	(16,610,078)	1,184,362	1,111,979
Total net position	\$ (12,538,596)	(12,792,773)	5,607,529	5,119,104

Assets and Deferred Outflows of Resources

Total assets and deferred outflows of resources increased to \$27.77 billion in 2025 from \$27.71 billion in 2024. Capital assets have increased due to continued investment in facilities in excess of depreciation. Noncurrent assets have increased due to increases in investments and notes receivable. Deferred outflows of resources have fluctuated primarily due to changes in the University's net pension and retiree health benefits liabilities.

CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 June 30, 2025

University's Assets and Deferred Outflows of Resources for 2025
 (In thousands)



Capital Assets, Net

The University's capital assets, net of accumulated depreciation and amortization, represent the largest portion of total assets. Enrollment growth, along with the ongoing need to renew, modernize, and seismically strengthen facilities, continues to drive the University's capital investment program. During the year, capital spending remained strong as CSU advanced projects to ensure that its campuses can fully support the University's mission.

Investments included the construction and renovation of academic buildings, libraries, student service facilities, parking structures, and campus infrastructure across all locations. In addition, the University is prioritizing expansion of affordable student housing to help address rising living costs in surrounding communities and improve access to education. The capital spending includes constructing and renovating academic buildings, student union and recreation centers, and housing facilities. Total additions were \$1.28 billion in 2025 compared to \$1.16 billion in 2024. See [note 7](#) for more information.

Investments

Investments held by the university are principally carried in the following investment pools: the Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), and the Total Return Portfolio (TRP), collectively referred to as CSU Consolidated Investment Pool. The University uses the Liquidity Portfolio to meet liquidity needs. The IDP provides modest, additional risk adjusted returns on University funds not needed for immediate liquidity. The investment policy for TRP is to achieve prudent return within a moderate risk level. In addition, funds are invested in the Surplus Money Investment Fund (SMIF), which is managed and invested by the State Treasurer in a short-term pool. The proceeds from the sale of Systemwide Revenue Bonds (SRB) are held by the State and invested in SMIF, as required by state law.

CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 June 30, 2025

Investments increased by \$42.26 million due to investment gains/earnings. This is offset by decreases from capital project spending and debt service payments.

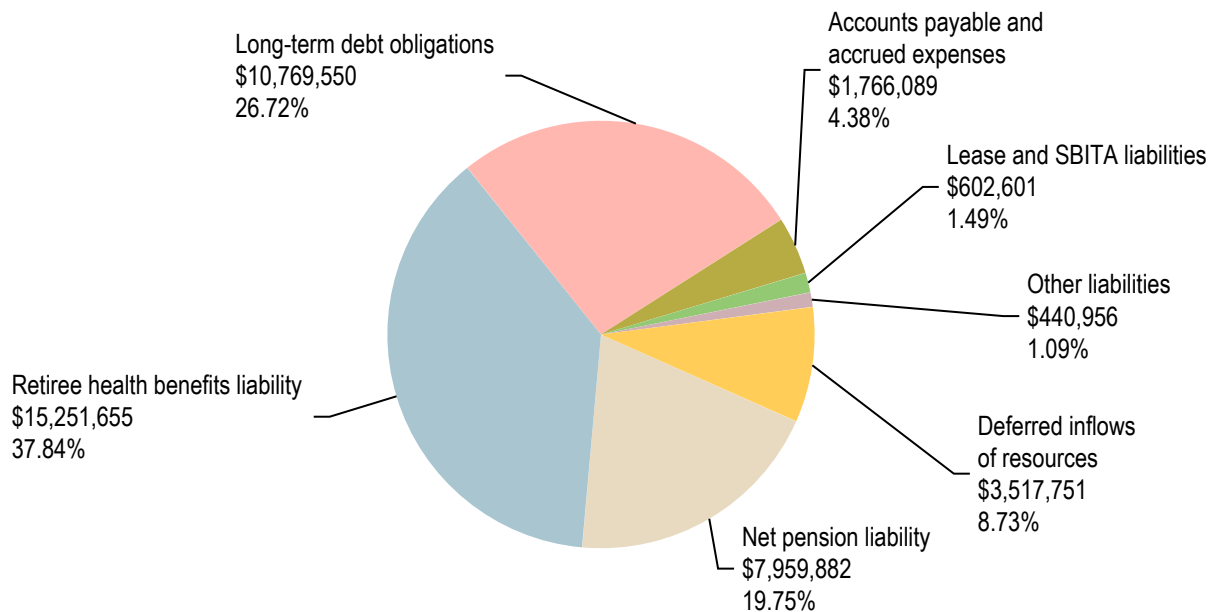
Deferred Outflows of Resources

Deferred outflows of resources decreased overall by \$841.70 million in 2025. Deferred outflows related to OPEB increased \$194 million, primarily related to the difference between expected and actual experience not related to investments and those related to pension decreased by \$1,029 million primarily related to the net difference between projected and actual earnings on pension plan investments and changes in assumptions.

Liabilities and Deferred Inflows of Resources

Total liabilities and deferred inflows of resources decreased to \$40.31 billion in 2025 from \$40.50 billion in 2024.

University's Liabilities and Deferred Inflows of Resources for 2025
 (In thousands)



Debt, including commercial paper

The University's capital assets are financed using a variety of sources including, state support, revenue bonds, gifts, leases and reserves. Commercial paper provides short-term financing for capital assets during the construction period. The University's total long-term debt obligations increased by \$694.82 million in 2025. The University's long-term debt obligations are summarized as follows:

The University's SRB program issues revenue bonds to finance housing, parking, health centers, student body centers, continuing education facilities, and other special projects related to the educational mission of the University. Student tuition fees, student housing fees, student body center fees, parking fees, health center facility fees, and fees from the professional and continuing education program, as well as payments allowed by statute are pledged as a security for outstanding SRB. The long-term debt obligations related to SRB increased by \$427.81 million due to

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

issuance of SRB Series 2024A and 2024B with principal amounting to \$670.92 million offset by \$243.11 million in payments of outstanding debt.

Moody's Investors Service currently provides an intrinsic rating of Aa2, with a stable outlook, for the SRB. S&P Global Ratings Services currently provides an intrinsic rating of AA-, with a stable outlook, for the SRB. All maturities in SRB Series 2007B, and 2007C are insured. Since the middle of fiscal year 2008, some providers of insurance for SRB have been downgraded to ratings below Aaa/AAA. Those bonds that are uninsured bear the intrinsic ratings of the SRB, which are Aa2 from the Moody's Investors Service and AA- from S&P Global Ratings Services.

Commercial paper increased by \$117.41 million from prior year's balance of \$171.88 million, due to issuance of additional commercial paper amounting to \$213.25 million, offset by redemption of \$95.84 million. The University has credit agreements totaling \$300 million with financial institutions for the purpose of providing additional liquidity for commercial paper needs.

The long-term debt obligation related to SPWB lease revenue bond program as of June 30, 2025 is \$96.81 million. The University has participated in the SPWB program since 1986 in connection with the construction of campus facilities and related equipment. Annually, the State of California augments the University's operating budget to provide additional funds for the required debt service.

Net Pension Liability and retiree health benefits plans

The University participates in the State's pension plans. The plans act as cost-sharing, multiple-employer defined-benefit pension plans for the University. The University's share in the net pension liability, which is actuarially determined, is based on its proportionate share in the total pensionable compensation of all the participating state agencies for the measurement period.

The net pension liability decreased by \$0.90 billion to \$7.96 billion in 2025 from \$8.86 billion in 2024. The decrease consisted of \$2.83 billion in additional service cost and interest and administrative expenses, and \$0.03 billion for the University's increased change in proportionate share. These were reduced by \$1.69 billion in contributions and a combined \$2.00 billion net investment return and actuarial gain on plan assets.

The University participates in the State's Retiree Health Benefits Program. These benefits are funded on a pay-as-you-go basis as eligible participants retire and receive those benefits.

The University's liability increased to \$15.25 billion in 2025 from \$13.96 billion in 2024. The \$1.29 billion increase is mostly driven by a \$1.10 billion increase in service cost and interest expense reduced by employer made pay-as-you-go contributions of \$0.47 million.

Deferred Inflows of Resources

Deferred inflows of resources are related to the University's lease receivables and certain changes in the net pension and net retiree health benefits liabilities. Changes in deferred inflows of resources were primarily due to fluctuations in the net pension and net retiree health benefits liability related to changes in assumptions, difference between expected and actual experience not related to investments, and changes in proportionate share.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Net Position

Net position may serve over time as a useful indicator of the University's financial position. Net position represents the residual interest in the University's assets and deferred outflows of resources after all liabilities and deferred inflows of resources are deducted.

Net position by category are as follows as of June 30:

	<u>2025</u>	<u>2024</u>
	(In thousands)	
Net investment in capital assets	\$ 3,659,674	3,669,130
Restricted		
Nonexpendable	1,605	1,612
Expendable	283,699	146,563
Unrestricted	<u>(16,483,574)</u>	<u>(16,610,078)</u>
Total net position	<u>\$ (12,538,596)</u>	<u>(12,792,773)</u>

- *Net Investment in Capital Assets*

The net position category "Net investment in capital assets" represents the University's capital assets, including ROU assets, net of accumulated depreciation and amortization, and also net of outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources. The net investment in capital assets decreased to \$3.66 billion in 2025 from \$3.67 billion in 2024.

- *Restricted Net Position*

- Nonexpendable net position is made up of the permanent endowment funds, the corpus of which may not be expendable. The University's foundations, which are discretely presented component units, hold the significant majority of the University-related endowments.
- Restricted expendable net position represents resources that are subject to external restrictions on how they may be used. Such restrictions are primarily related to scholarships and fellowships, research, loans, capital projects, and debt service funds. The restricted expendable net position increased mainly due to unspent proceeds from the issuance of SRB series 2024A and 2024B.

- *Unrestricted*

Net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net position is not subject to externally imposed restrictions, the predominant portions of the unrestricted net position are designated by statute for specific programs or projects related to certain revenue sources. The University considers statutory restrictions as internally imposed restrictions rather than externally imposed restrictions.

Unrestricted net position reflects a deficit due primarily to the obligations for pension and retiree health benefits exceeding University assets available to pay such obligations. Without those obligations, unrestricted net

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

position increased \$252.3 million in 2025. Operating losses associated with unrestricted activities and interest expense on capital-asset-related debt were offset by unrestricted investment income, state appropriations, and state financial aid grants. Despite the deficit, the University's current ratio, which measures its ability to pay-off short-term obligations, remains positive for both years at an average of 2.45.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Results of Operations

The Statement of Revenues, Expenses and Changes in Net Position represents the University's and its discretely presented component units' result of operations and indicate whether the financial condition has improved or deteriorated. Major components are operating revenues, operating expenses, and nonoperating revenues (expenses). A condensed comparative presentation of the results of operations follows:

	University		Discretely presented component units	
	2025	2024	2025	2024
	(In thousands)			
Operating revenues				
Student tuition and fees, net	\$ 2,408,432	2,335,398	—	—
Grants and contracts, noncapital	115,647	99,774	987,551	880,730
Sales and services of educational activities	57,326	55,784	80,690	56,355
Sales and services of auxiliary enterprises, net	871,893	806,778	477,979	469,893
Other operating revenues	414,674	368,086	713,448	664,924
Total operating revenues	3,867,972	3,665,820	2,259,668	2,071,902
Operating expenses	12,635,890	11,630,059	2,599,460	2,376,237
Operating loss	(8,767,918)	(7,964,239)	(339,792)	(304,335)
Nonoperating revenues (expenses)				
State appropriations, noncapital	5,503,329	4,411,363	—	—
Financial aid grants, noncapital	3,060,050	2,569,283	5,362	2,965
Grants and gifts, noncapital	119,624	121,241	253,119	228,803
Investment income, net	630,839	618,043	168,041	159,476
Endowment income, net	40	58	297,252	258,782
Interest expense	(402,369)	(357,186)	(26,123)	(24,438)
Other nonoperating revenues (expenses)	35,949	21,219	(6,641)	17,141
Net nonoperating revenues	8,947,462	7,384,021	691,010	642,729
Income (loss) before other revenues (expenses)	179,544	(580,218)	351,218	338,394
State appropriations, capital	835	(55)	—	—
Grants and gifts, capital	73,798	77,984	28,695	31,604
Additions to permanent endowments	—	—	113,750	61,037
Change in net position	254,177	(502,289)	493,663	431,035
Net position – beginning of year, as restated	(12,792,773)	(12,290,484)	5,113,866	4,688,069
Net position – end of year	\$ (12,538,596)	(12,792,773)	5,607,529	5,119,104

The beginning net position of the University's discretely presented component units has been restated to reflect changes due to the implementation of GASB Statement No. 101 and error corrections. For additional information regarding the restatement of the individual discretely presented component units, refer to their separately issued financial statements.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Revenues (Operating and Nonoperating)

The University's two major sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 59.53% and 58.85% of total revenues in 2025 and 2024, respectively. State appropriations are received for both noncapital and capital purposes. Another major source of revenues are grants, contracts, and gifts, which represent 25.35% of total revenues in 2025. The University's total revenues consisted of the following:

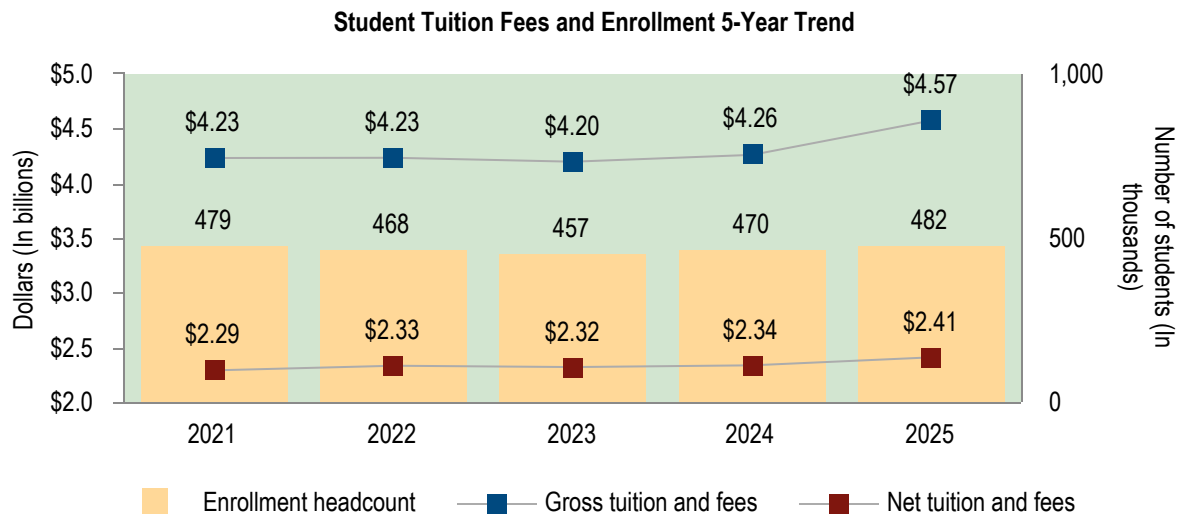
	2025 (In thousands)	Percentage of total %	2024 (In thousands)	Percentage of total %
State appropriations (noncapital and capital)	\$ 5,504,164	41.41	\$ 4,411,308	38.48
Student tuition and fees, net	2,408,432	18.12	2,335,398	20.37
Grants, contracts, and gifts	3,369,119	25.35	2,868,282	25.02
Sales and services (educational activities and auxiliary enterprises), net	929,219	6.99	862,562	7.52
Investment income (loss), net and other revenues	1,081,502	8.13	986,187	8.61
Total revenues (operating and nonoperating)	\$ 13,292,436	100.00	\$ 11,463,737	100.00

State Appropriations (Noncapital and Capital)

State appropriations are shown as nonoperating revenues but are primarily used to fund the University's core operations. The State general fund appropriations increased by \$1.04 billion in 2025. The increase is mainly due to the one time prior year return of one-time state appropriation of \$1.2 billion offset by a base increase for CSU operational costs; expansion veteran tuition waivers; and one time funding of other programs.

Student Tuition and Fees, Net

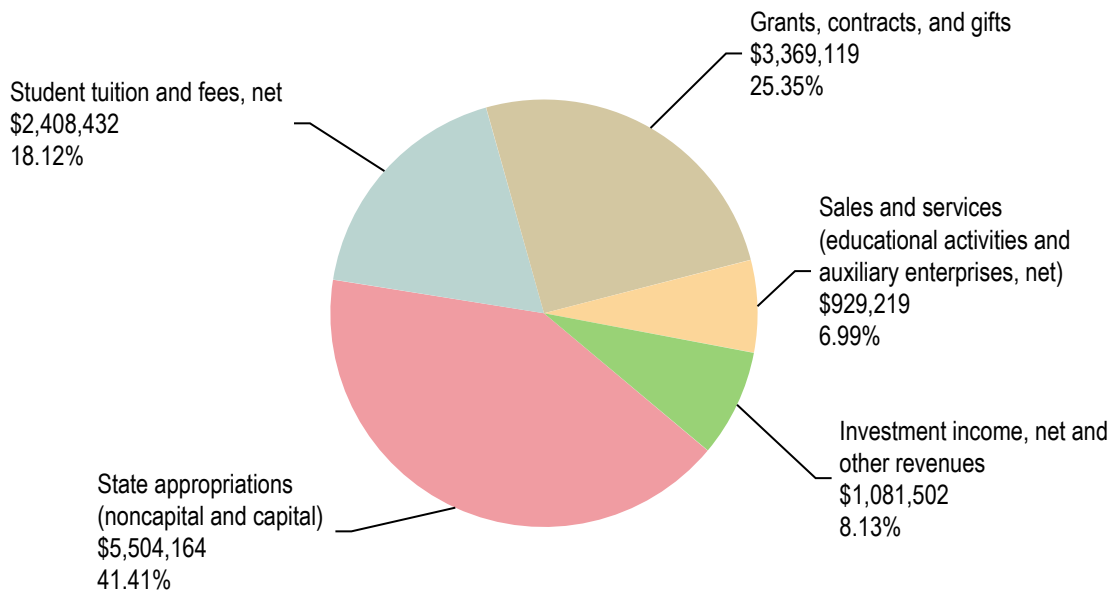
The student tuition and fees (before scholarship allowances) amounted to \$4.57 billion in 2025. The following chart displays the five-year trend between enrollment headcount and student tuition and fees:



CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 June 30, 2025

Scholarship allowances, or financial aid, are the difference between the stated charge for tuition and fees and the amount that is paid by the student and third parties on behalf of the student. Scholarship allowance of \$1.297 billion from financial aid grants were comprised of \$469.91 million from Federal Pell Grant program, \$621.84 million from California Grant program, \$171.85 million from Middle Class Scholarship, and \$33.45 million from other sources. The scholarship allowance from institutional grants of \$869.23 million includes \$736.74 million from State University Grants and \$132.49 million from other sources.

**University's Revenues (Operating and Nonoperating) for 2025
 (In thousands)**



Grants, Contracts, and Gifts

Grants, contracts, and gifts revenues are derived substantially from the student financial aid grants from federal agencies, state agencies, and nongovernmental grantors. Student financial aid grants totaled \$3.06 billion, an increase of \$490.77 million from the previous year mainly due to the increase in the Middle Class Scholarship from the State for undergraduates and students pursuing a teaching credential.

The remainder of the grants, contracts, and gifts include non-financial aid grants, contracts, changes to permanent endowments, and gifts (capital and noncapital), which amounted to \$309.07 million, or 9.17%, of total grants, contracts, and gifts. Noncapital grants and contracts, and gifts of \$231.35 million included gifts received from discretely presented component units amounted to \$161.12 million.

Sales and Services (Educational Activities and Auxiliary Enterprise)

Sales and services of educational activities include revenues related incidentally to the conduct of instruction, research, and public service, and revenues for activities that exist to provide instructional and laboratory experience for students that incidentally create goods and services that may be sold to faculty, students, staff, and the general

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

public. Net revenues from sales and services of educational activities amounted to \$57.33 million in 2025, an increase from \$55.78 million in 2024. This increase is primarily attributed to the scheduled fee increases.

Auxiliary enterprises exist predominantly to furnish goods or services to students, faculty, or staff, for a fee. Net revenues from sales and services of auxiliary enterprises, primarily from student housing and parking, amounted to \$871.89 million, which is a \$65.11 million increase when compared to 2024. This increase is primarily attributed to the return to the activity level prior to pre-pandemic levels.

Investment Income, Net and Other Revenues

Investment income, net and other revenues amounted to \$1.08 billion in 2025 from \$986.19 million in 2024, an increase of \$95.32 million due to rise in other operating revenue and unrealized investment gains during the fiscal year.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Expenses (Operating and Nonoperating)

The University's total expenses of \$13.04 billion are comprised of operating expenses of \$12.64 billion, or 96.91%, and nonoperating expenses of \$402.37 million, or 3.09%.

	2025	Percentage of total	2024	Percentage of total
	(In thousands)	%	(In thousands)	%
Instruction	\$ 3,897,301	29.89	3,494,058	29.20
Research	101,483	0.78	107,116	0.90
Public service	82,509	0.63	64,120	0.54
Academic support	1,086,792	8.34	1,040,883	8.70
Student services	1,654,409	12.71	1,535,232	12.82
Student grants and scholarships	1,744,558	13.38	1,450,349	12.12
Total instruction and educational support activities	8,567,052	65.73	7,691,758	64.28
Institutional support	1,342,320	10.30	1,297,392	10.84
Operation and maintenance of plant	1,068,210	8.19	1,137,735	9.51
Auxiliary enterprise expenses	862,829	6.62	754,402	6.30
Depreciation and amortization	795,479	6.10	748,772	6.26
Total operating expenses	12,635,890	96.94	11,630,059	97.19
Interest expense	402,369	3.09	357,186	2.99
Other nonoperating expenses, net	—	—	(21,219)	(0.18)
Total nonoperating expenses	402,369	3.09	335,967	2.81
Total expenses (operating and nonoperating)	<u>\$ 13,038,259</u>	<u>100.03</u>	<u>11,966,026</u>	<u>100.00</u>

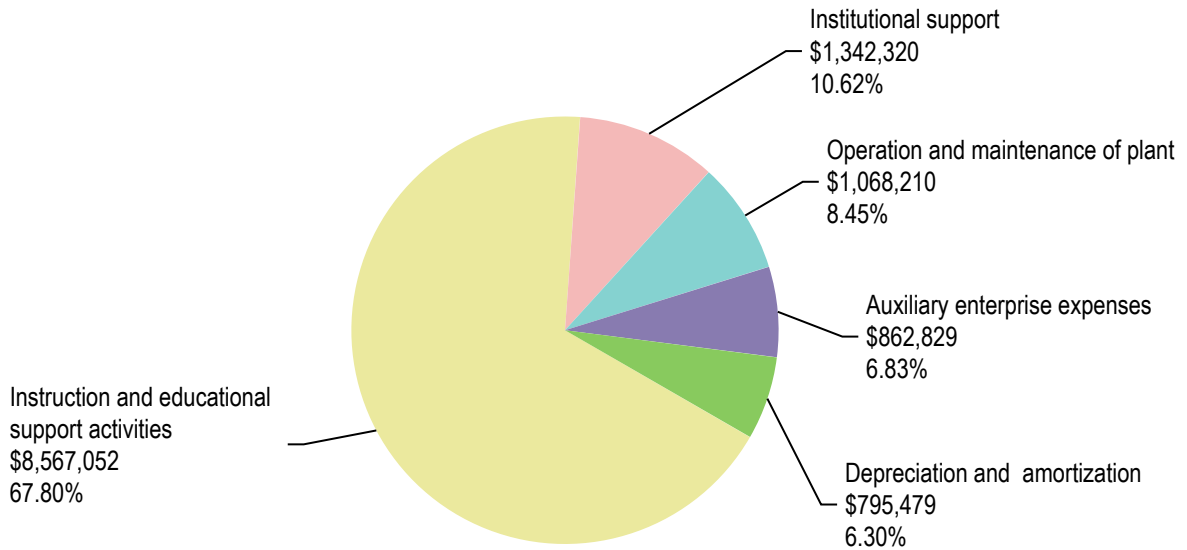
Operating Expenses

The University reports operating expenses by functional category (instruction, research, etc.) in the Statement of Revenues, Expenses, and Changes in Net Position and displays expenses by their natural classification (personal services and benefits, supplies and services, scholarships and fellowships and depreciation/amortization) in [Note 17](#).

The total instruction and educational support activities, representing the mission-critical educational support activities of student services, academic support, student grants and scholarships, public service, and research are added to direct classroom instruction, account for 67.80% and 66.14% of the 2025 and 2024 total operating expenses of the University, respectively. These percentages are calculated excluding nonoperating expenses in the denominator.

CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 June 30, 2025

**University's Operating Expenses for 2025
 (In thousands)**

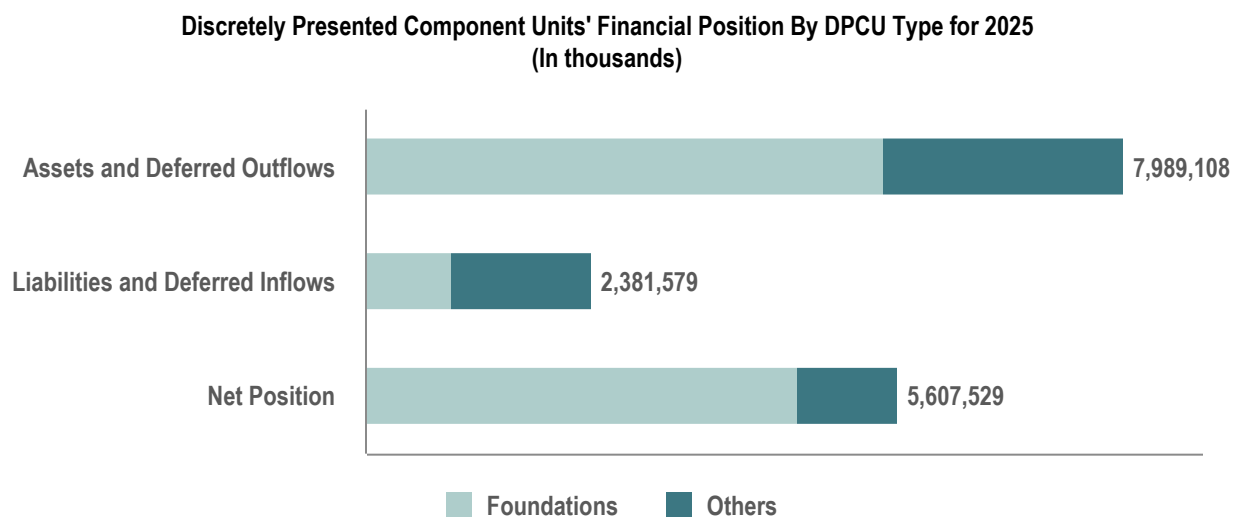


Operating expenses increased by \$1,006 million, or 9% reflecting higher costs across virtually all categories of spending, driven by inflationary pressures, salary increases, and resumption of full campus operations. The University's salaries expense increased by \$232 million in 2025, mainly due to salary increases per collective bargaining agreements. Pensions and retiree health benefits expenses totaled \$1,702 million in 2025, an increase of \$335 million due to recognition of actuarial differences between expected and actual experience as well as changes in actuarial assumptions.

The University's interest expense increased to \$402.37 million in 2025 from \$357.19 million in 2024. The increase of \$45.18 million is mainly due to Systemwide Revenue Bond payments.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Discretely Presented Component Units' Financial Position



Assets and Deferred Outflows

Discretely presented component units managed \$7.94 billion and \$7.45 billion of assets, representing 25.53% and 25.08% of the University's combined total assets in 2025 and 2024, respectively. The increase in assets of the discretely presented component units is primarily due to favorable market conditions increasing the market value of investments and increase in capital assets, net.

Discretely presented component units' deferred outflows of resources decreased to \$49.50 million in 2025 from \$65.70 million in 2024 in connection to pension and retiree health benefits plans.

Liabilities and Deferred Inflows

Discretely presented component units have \$1.93 billion and \$1.94 billion of liabilities, representing 4.98% and 5.12% of the University's combined total liabilities in 2025 and 2024, respectively. The liabilities from accounts payable, accrued compensated absences and claims liability for losses and loss adjustment expenses, in 2025.

Discretely presented component units' deferred inflows of resources is \$453.15 million in 2025 and \$461.44 million in 2024, respectively. The net change in deferred inflows of resources was driven primarily by a decrease in deferred inflows related to net retiree health benefits liabilities of \$4.37 million and a decrease of \$3.80 million related to pension.

Net Position

Discretely presented component units' net position is \$5.61 billion and \$5.12 billion in 2025 and 2024, respectively.

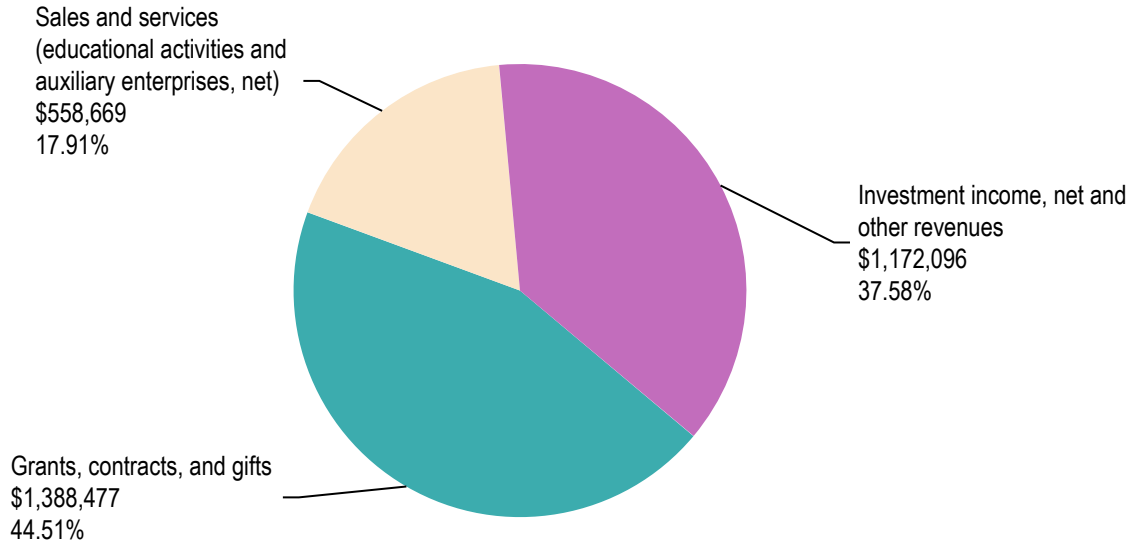
The restricted net position, expendable and nonexpendable, of the discretely presented component units was \$3.93 billion and \$3.57 billion, representing 93.23% and 96.01% of the University's total combined restricted net position in 2025 and 2024, respectively.

CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 June 30, 2025

Discretely Presented Component Units' Results of Operations

Revenues (Operating and Nonoperating)

**Discretely Presented Component Units' Revenues (Operating and Nonoperating) for 2025
 (In thousands)**



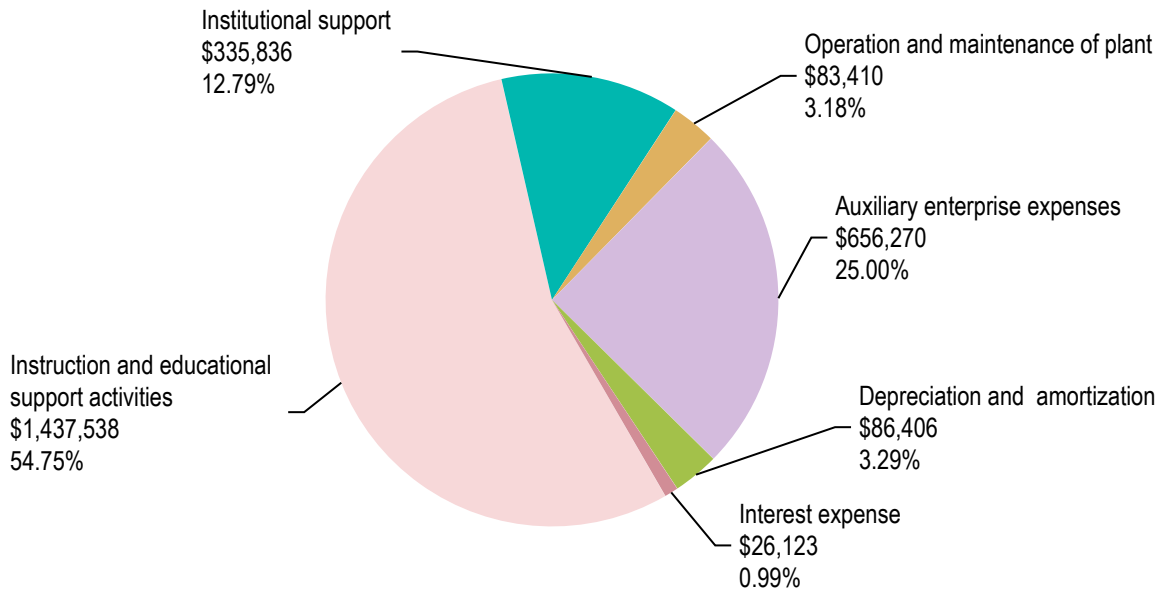
The discretely presented component units generated \$3.12 billion of revenues, representing 19.01% of the University's \$16.41 billion combined total revenues, which is lower compared to the 19.81% in the prior year. The discretely presented component units managed \$1.39 billion grants, contracts, and gifts revenues, representing 29.18% of the University's \$4.76 billion combined total. Discretely presented component units fund many students' co-curricular activities, administer research programs, raise funds, operate student unions, offer recreational programs, coordinate commercial enterprises, and develop public-private partnerships on behalf of the University.

Investment income, net and other revenues increased by \$71.78 million primarily due to favorable market conditions. The sales and services of educational activities and auxiliary enterprise have increased by \$32.42 million.

CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 June 30, 2025

Expenses (Operating and Nonoperating)

**Discretely Presented Component Units' Expenses (Operating and Nonoperating) for 2025
 (In thousands)**



The discretely presented component units incurred \$2.60 billion of operating expenses in 2025 from \$2.38 billion in 2024. This represents 17.06% of the University's \$15.24 billion combined total operating expenses which is higher compared to the 16.97% in the prior year. Operating expenses by natural classification of the discretely presented component units is composed of the following: supplies and other services of \$1.44 billion, salaries of \$732.26 million, pension benefits expenses of \$38.58 million, retiree health benefits expense of \$3.74 million, scholarship and fellowships of \$120.44 million, and depreciation and amortization of \$86.41 million.

The discretely presented component unit's interest expense of \$26.12 million accounts for 6.10% of the University's combined total interest expense of \$428.49 million. Compared to 2024, the discretely presented component unit's interest expense has increased by \$1.69 million.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Factors Impacting Future Periods

Certain information provided by the University may contain forward-looking statements. These statements, addressing future activities, events, or developments, are based on various factors and assumptions. Actual results may differ materially from those projected or suggested in such forward-looking information. The University does not commit to updating this forward-looking information to reflect changes in actual results or assumptions.

The State's 2025-26 Final Budget provides a revised appropriation of \$5.10 billion. Further reductions in 2025-26 include a State General Fund decrease of \$144 million, bringing the total budget to approximately \$4.96 billion. Restoration of this reduction is intended for 2026-27. The budget act also included an option for the University to request a short-term zero-interest loan up to \$144 million to provide an alternative for funding not allocated to the University in 2025-26.

Ongoing challenges include collective bargaining and compensation costs, effects of inflation, heightened energy costs, new commitments, and workload contained in the multi-year compact between the State and the University.

Subsequent Events

The University issued SRB Series 2025A and 2025B in August 2025 which total \$1,737 million. The new bonds were issued to fund various capital projects and redeem maturing commercial paper. The University also issued various commercial paper for capital projects totaling \$159.57 million and redeemed commercial paper totaling \$257.02 million. Finally, the University elected to accept the loan offered in the budget act.

BASIC FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2025

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 435,351	436,194	871,545
Short-term investments	5,306,231	1,254,740	6,560,971
Accounts receivable, net	406,434	392,131	798,565
Lease receivable, current portion	20,954	26,066	47,020
P3 receivable, current portion	—	310	310
Notes receivable, current portion	20,005	2,989	22,994
Pledge receivable, net	—	75,186	75,186
Prepaid expenses and other current assets	82,786	46,280	129,066
Total current assets	6,271,761	2,233,896	8,505,657
Noncurrent assets			
Restricted cash and cash equivalents	—	33,858	33,858
Accounts receivable, net	2,796	21,322	24,118
Lease receivable, net of current portion	173,094	470,769	643,863
P3 receivable, net of current portion	—	3,548	3,548
Notes receivable, net of current portion	631,215	45,596	676,811
Student loans receivable, net	27,038	440	27,478
Pledge receivable, net	—	151,001	151,001
Endowment investments	1,605	3,055,117	3,056,722
Other long-term investments	2,680,997	588,158	3,269,155
Capital assets, net	13,356,941	1,275,229	14,632,170
Other assets	19,810	60,670	80,480
Total noncurrent assets	16,893,496	5,705,708	22,599,204
Total assets	23,165,257	7,939,604	31,104,861
Deferred Outflows of Resources			
Deferred outflows of resources	4,604,630	49,504	4,654,134
Liabilities			
Current liabilities			
Accounts payable	480,094	175,381	655,475
Accrued salaries and benefits	959,695	45,573	1,005,268
Accrued compensated absences, current portion	166,317	29,050	195,367
Unearned revenues	256,574	187,052	443,626
Lease liabilities, current portion	184,594	22,009	206,603
SBITA liabilities, current portion	44,093	2,086	46,179
Long-term debt obligations, current portion	278,557	70,797	349,354
Claims liability for losses and loss adjustment expenses, current portion	—	33,550	33,550
Depository accounts	4,731	17,960	22,691
Other liabilities	142,749	121,581	264,330
Total current liabilities	2,517,404	705,039	3,222,443

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2025

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 159,983	12,253	172,236
Unearned revenues	4,208	60,079	64,287
Grants refundable	15,732	7,316	23,048
Lease liabilities, net of current portion	321,375	176,761	498,136
SBITA liabilities, net of current portion	52,538	2,866	55,404
Long-term debt obligations, net of current portion	10,490,993	655,751	11,146,744
Claims liability for losses and loss adjustment expenses, net of current portion	—	64,125	64,125
Depository accounts	39	11,072	11,111
Other postemployment benefits liability	15,251,655	68,107	15,319,762
Net pension liability	7,959,882	119,617	8,079,499
Other liabilities	16,923	45,442	62,365
Total noncurrent liabilities	<u>34,273,328</u>	<u>1,223,389</u>	<u>35,496,717</u>
Total liabilities	<u>36,790,732</u>	<u>1,928,428</u>	<u>38,719,160</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>3,517,751</u>	<u>453,151</u>	<u>3,970,902</u>
Net Position			
Net position			
Net investment in capital assets	3,659,674	495,509	4,155,183
Restricted for			
Nonexpendable – endowments	1,605	2,153,510	2,155,115
Expendable			
Scholarships and fellowships	30,750	347,702	378,452
Research	—	37,501	37,501
Loans	29,618	2,750	32,368
Capital projects	168,644	84,496	253,140
Debt service	18,316	7,194	25,510
Others	36,371	1,294,505	1,330,876
Unrestricted	<u>(16,483,574)</u>	<u>1,184,362</u>	<u>(15,299,212)</u>
Total net position	<u>\$ (12,538,596)</u>	<u>5,607,529</u>	<u>(6,931,067)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2025

(in thousands)

	University	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$2,166,282)	\$ 2,408,432	—	—	2,408,432
Grants and contracts, noncapital				
Federal	72,522	595,711	(300)	667,933
State	33,173	273,807	(825)	306,155
Local	2,021	30,095	—	32,116
Nongovernmental	7,931	87,938	(1,234)	94,635
Sales and services of educational activities	57,326	80,690	—	138,016
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$219,454)	871,893	477,979	(3,693)	1,346,179
Other operating revenues	414,674	713,448	(8,068)	1,120,054
Total operating revenues	3,867,972	2,259,668	(14,120)	6,113,520
Expenses				
Operating expenses				
Instruction	3,897,301	175,058	(26,626)	4,045,733
Research	101,483	387,331	(2,722)	486,092
Public service	82,509	307,257	(4,298)	385,468
Academic support	1,086,792	146,704	(30,829)	1,202,667
Student services	1,654,409	300,747	(24,066)	1,931,090
Institutional support	1,342,320	335,836	(27,915)	1,650,241
Operation and maintenance of plant	1,068,210	83,410	(3,526)	1,148,094
Student grants and scholarships	1,744,558	120,441	(65,122)	1,799,877
Auxiliary enterprise expenses	862,829	656,270	(11,102)	1,507,997
Depreciation and amortization	795,479	86,406	—	881,885
Total operating expenses	12,635,890	2,599,460	(196,206)	15,039,144
Operating loss	(8,767,918)	(339,792)	182,086	(8,925,624)
Nonoperating revenues (expenses)				
State appropriations, noncapital	5,503,329	—	—	5,503,329
Federal financial aid grants, noncapital	1,412,475	3,177	—	1,415,652
State financial aid grants, noncapital	1,602,771	2,078	—	1,604,849
Local financial aid grants, noncapital	—	77	—	77
Nongovernmental and other financial aid grants, noncapital	44,804	30	(28,569)	16,265
Other federal nonoperating grants, noncapital	3,925	—	—	3,925

CALIFORNIA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2025

(in thousands)

	University	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), continued				
Gifts, noncapital	\$ 115,699	253,119	(94,623)	274,195
Investment income, net	630,839	168,041	—	798,880
Endowment income, net	40	297,252	—	297,292
Interest expense	(402,369)	(26,123)	—	(428,492)
Other nonoperating revenues (expenses)	35,949	(6,641)	7,606	36,914
Net nonoperating revenues	8,947,462	691,010	(115,586)	9,522,886
Income before other revenues	179,544	351,218	66,500	597,262
State appropriations, capital	835	—	—	835
Grants and gifts, capital	73,798	28,695	(66,500)	35,993
Additions to permanent endowments	—	113,750	—	113,750
Increase in net position	254,177	493,663	—	747,840
Net position				
Net position at beginning of year, as restated	(12,792,773)	5,113,866	—	(7,678,907)
Net position at end of year	<u>\$ (12,538,596)</u>	<u>5,607,529</u>	<u>—</u>	<u>(6,931,067)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2025

(In thousands)

	University
Cash flows from operating activities	
Student tuition and fees	\$ 2,305,451
Federal grants and contracts	75,284
State grants and contracts	(5,261)
Local grants and contracts	2,195
Nongovernmental grants and contracts	7,983
Payments to suppliers	(2,452,713)
Payments to employees	(4,708,056)
Payments for benefits	(2,265,545)
Payments to students	(1,752,725)
Collections of student loans	1,643
Sales and services of educational activities	60,786
Sales and services of auxiliary enterprises	844,964
Other receipts	332,457
	(7,553,537)
Cash flows from noncapital financing activities	
State appropriations	5,033,232
Federal financial aid grants	1,418,644
State financial aid grants	1,554,923
Nongovernmental and other financial aid grants	45,100
Other federal nonoperating grants	6,233
Gifts and grants received for other than capital purposes	115,496
Federal loan program receipts	1,090,043
Federal loan program disbursements	(1,094,036)
Monies received on behalf of others	111,803
Monies disbursed on behalf of others	(110,790)
Proceeds from long-term debt	58,240
Principal paid on long-term debt	(29,005)
Interest paid on long-term debt	(21,499)
Issuance of notes receivable	(286,350)
Principal collections on notes receivable	144,590
Interest collections on notes receivable	1,458
Other noncapital financing activities	41,992
	8,080,074

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2025

(In thousands)

	<u>University</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ 906,443
Capital grants and gifts	45,705
Proceeds from sale of capital assets	3,274
Acquisition of capital assets	(1,235,928)
Principal paid on capital debt and leases	(440,394)
Interest paid on capital debt and leases	(398,232)
Principal collection on leases receivable	21,946
Interest collection on leases receivable	1,356
Net cash used in capital and related financing activities	<u>(1,095,830)</u>
Cash flows from investing activities	
Proceeds from sales of investments	12,699,967
Purchases of investments	(12,511,477)
Investment income proceeds	404,536
Net cash provided by investing activities	<u>593,026</u>
Net increase in cash and cash equivalents	23,733
Cash and cash equivalents at beginning of year	411,618
Cash and cash equivalents at end of year	<u>\$ 435,351</u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (8,767,918)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation and amortization	795,479
Change in assets and liabilities	
Accounts receivable, net	993
Student loans receivable, net	(147)
Prepaid expenses and other current assets	1,386
Other assets	(2,644)
Deferred outflows of resources	1,313,658
Accounts payable	(55,487)
Accrued salaries and benefits	59,815
Accrued compensated absences	6,077
Unearned revenues	(142,014)
Other postemployment benefits liability	1,280,158
Net pension liability	(896,697)
Other liabilities	(25,354)
Deferred inflows of resources	<u>(1,120,842)</u>
Net cash used in operating activities	<u>\$ (7,553,537)</u>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2025

(In thousands)

	<u>University</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 471,297
Change in unrealized gain on investments	230,916
Other assets paid through long-term debt	163,836
Gifts in kind - noncapital	113,549
Change in capital assets due to leases	77,282
Change in accrued capital asset purchases	35,612
Amortization of net bond premium	29,985

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(1) Organization

California State University (the University) was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals emphasizing a broad liberal arts education. As an agency of the State of California (the State), the University is also included in the State's financial statements. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the chancellor, who is the chief executive officer of the University, and the University presidents, who are the chief executive officers of the respective campuses. In addition to the Office of the Chancellor, the following 23 campuses comprise the California State University at June 30, 2025:

- California State University, Bakersfield
- California State University, Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- California State Polytechnic University, Humboldt
- California State University, Long Beach
- California State University, Los Angeles
- California State University Maritime Academy*
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San José State University
- California Polytechnic State University, San Luis Obispo*
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

*In November 2024, the CSU Board approved the integration of California Polytechnic State University, San Luis Obispo with the California State University Maritime Academy. Starting July 1, 2025, the two institutions will operate as one university under the California Polytechnic State University, San Luis Obispo name, with the former Maritime campus becoming the Solano Campus. With this merger, in the fiscal year 2025-26, the California State University system will consist of 22 campuses and the Office of the Chancellor.

The University provides instruction for baccalaureate, masters', doctorate, and certificate programs, and operates various auxiliary enterprises, such as student housing and parking facilities. In addition, the University administers a variety of financial aid programs that are funded primarily through state and federal programs.

(2) Summary of Significant Accounting Policies

(a) *Financial Reporting Entity*

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*, the accompanying financial statements present the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows of the University.

In addition, the accompanying financial statements include the accounts of the 93 discretely presented component units, which are primarily University-related recognized auxiliary organizations. These discretely presented component units are legally separate entities that provide services primarily to the University and its students. Recognized auxiliary organizations include foundations, associated students, student unions, auxiliary services, university corporations, and similar organizations. Foundations, whose net position comprises approximately 81.16% of the discretely presented component unit totals, carry out a variety of campus-related activities. Such activities consist primarily of administering grants from governmental and private agencies for research, as well as soliciting and accepting donations, gifts, and bequests for University-related use. Separate financial statements for each of the discretely presented component units may be obtained from the individual campuses.

The discretely presented component units are as follows:

- California State University, Bakersfield Foundation
- Associated Students, California State University, Bakersfield, Inc.
- California State University, Bakersfield Student-centered Enterprises, Inc.
- California State University, Bakersfield, Auxiliary for Sponsored Programs Administration
- California State University Foundation
- California State University Risk Management Authority
- California State Student Association
- California State University, Channel Islands Foundation

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

- Associated Students of California State University Channel Islands, Inc.
- CI University Auxiliary Services, Inc.
- California State University Channel Islands Financing Authority
- California State University Channel Islands Site Authority
- Chico State Enterprises
- The University Foundation, California State University, Chico
- Associated Students of California State University, Chico
- California State University, Dominguez Hills Toro Auxiliary Partners
- California State University, Dominguez Hills Philanthropic Foundation
- Associated Students, Inc., California State University, Dominguez Hills
- The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills
- Cal State East Bay Educational Foundation, Inc.
- California State University, East Bay Foundation, Inc.
- Associated Students, Inc. of California State University, East Bay
- California State University, Fresno Foundation
- The Agricultural Foundation of California State University, Fresno
- The Bulldog Foundation (Fresno)
- Associated Students California State University, Fresno
- California State University, Fresno Athletic Corporation
- California State University, Fresno Association, Inc.
- Fresno State Programs for Children, Inc.
- Cal State Fullerton Philanthropic Foundation
- Associated Students, California State University, Fullerton, Inc.
- CSU Fullerton Auxiliary Services Corporation
- Cal Poly Humboldt Foundation
- Cal Poly Humboldt Sponsored Programs Foundation
- Associated Students of Cal Poly Humboldt
- Humboldt State University Center Board of Directors
- California State University, Long Beach Research Foundation

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

- Long Beach State Foundation *
- Associated Students, Inc., California State University, Long Beach
- Forty-Niner Shops, Inc. (Long Beach)
- California State University, Los Angeles Foundation
- Associated Students of California State University, Los Angeles, Inc.
- University-Student Union at California State University, Los Angeles
- Cal State L.A. University Auxiliary Services, Inc.
- California Maritime Academy Foundation, Inc.
- Associated Students of the California Maritime Academy
- Cal Maritime Corporation
- Foundation of California State University, Monterey Bay
- University Corporation at Monterey Bay
- Otter Student Union at CSU Monterey Bay
- California State University, Northridge Foundation
- Associated Students, California State University, Northridge, Inc.
- University Student Union California State University, Northridge
- The University Corporation (Northridge)
- North Campus - University Park Development Corporation (Northridge)
- Cal Poly Pomona Foundation, Inc.
- Associated Students, Inc., California State Polytechnic University, Pomona
- Cal Poly Pomona Philanthropic Foundation
- The University Foundation at Sacramento State
- Associated Students of California State University, Sacramento
- University Union Operation of California State University, Sacramento
- University Enterprises, Inc. (Sacramento)
- Capital Public Radio, Inc. (Sacramento)
- CSUSB Philanthropic Foundation
- Associated Students, Incorporated, California State University, San Bernardino
- Santos Manuel Student Union of California State University, San Bernardino
- University Enterprises Corporation at CSUSB

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

- San Diego State University Research Foundation
- The Campanile Foundation (San Diego)
- Associated Students of San Diego State University
- Aztec Shops, Ltd. (San Diego)
- SDSU Mission Valley Enterprises
- San Francisco State University Foundation
- Associated Students of San Francisco State University
- The University Corporation, San Francisco State
- San José State University Research Foundation
- Tower Foundation of San José State University
- Associated Students of San José State University
- The Student Union of San José State University
- Spartan Shops, Inc. (San José)
- California Polytechnic State University Foundation (San Luis Obispo)
- Associated Students, Inc., California Polytechnic State University, San Luis Obispo
- Cal Poly Corporation (San Luis Obispo)
- California State University San Marcos Foundation
- Associated Students, Inc. of California State University San Marcos
- California State University San Marcos Corporation
- Sonoma State University Foundation
- Associated Students of Sonoma State University
- Sonoma State Enterprises, Inc.
- California State University, Stanislaus Foundation
- Associated Students Incorporated of California State University, Stanislaus
- University Student Center of California State University, Stanislaus
- California State University, Stanislaus Auxiliary and Business Services

**Name changed from CSULB 49er Foundation to Long Beach State Foundation effective FY24-25.*

These component units are presented in the accompanying financial statements as discretely presented component units of the University due to the nature and significance of their relationship with the University. The relationships are such that exclusion of these organizations would render the financial statements incomplete, primarily due to their close affiliation with the University. These organizations are discretely

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

presented to allow the financial statement users to distinguish between the University and the component units. None of the component units are considered individually significant to the total discretely presented component units. All significant nonexchange transactions between the University and discretely presented component units have been eliminated from the financial statements.

The accompanying financial statements also include the Stockton Center Site Authority, which is included as a blended component unit. This organization primarily provides services to the University in the areas of asset management. The University is financially accountable for this organization.

(b) Change in Reporting Entity

Effective June 26, 2025, the California State University Institute (the "Institute"), previously reported as a discretely presented component unit of the University, was legally dissolved. The dissolution was effected through the liquidation of assets and settlement of liabilities and a transfer of the Institute's remaining cash related to the commercial paper program to the University on the date of dissolution. The nature of this change was the legal dissolution of the component unit, and the reason for the change is the cessation of its operations.

The Institute no longer exists as a separate legal entity and has been removed as a discretely presented component unit from the University reporting entity effective June 26, 2025. This change has been applied prospectively. Prior-period financial statements have not been restated.

The Institute was previously discretely presented, its removal does not directly affect the CSU's beginning net position but rather eliminates a component unit from the separate component unit column that had been presented in prior years.

(c) Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

As a public institution, the University is considered a special-purpose government under the provisions of GASB Statements Nos. 34 and 35. The University records revenue in part from fees and other charges for services to external users and, accordingly, has chosen to present financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows all financial information for the University to be reported in a single column in each of the financial statements, accompanied by aggregated financial information for the discretely presented component units, as discussed above. The effects of internal activities between funds or groups of funds have been eliminated from the financial statements.

(d) New Accounting Pronouncements

On July 1, 2024, the University implemented GASB Statement No. 101, *Compensated Absences*, which updated the recognition and measurement guidance for compensated absences. Further, the Statement allows governments to disclose only the net change in the liability as long as they identify it as a net change.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

The implementation of Statement No. 101 did not have a material impact on the University's financial statements.

On July 1, 2024, the University implemented GASB Statement No. 102, *Certain Risk Disclosures*, which requires disclosure about risks related to the University's vulnerabilities due to certain concentrations or constraints if such conditions expose the University to a significant risk of severe impact within twelve months of the financial statement date. As part of this implementation, the University evaluated concentrations related to major revenue sources, financial dependencies, and external constraints. No concentrations or constraints were identified that meet the disclosure criteria of GASB 102. The University will continue to monitor these risks in future periods.

(e) Future Accounting Pronouncements

In April 2024, the GASB released Statement No. 103, "Financial Reporting Model Improvements (Statement No. 103)," effective for the fiscal year ending June 30, 2026. This statement requires the (1) MD&A include more robust narrative explanations and disclosure of known facts and future conditions that could significantly affect financial results, (2) implementation of new definitions and reporting of operating and nonoperating revenues and expenses, including changes to the presentation on the Statement of Revenues, Expenses, and Changes in Net Position, and (3) replacement of extraordinary and special items with unusual or infrequent items. The University is currently assessing the impact of the implementation of Statement No. 103 on its financial statements.

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets (Statement No. 104)," effective for the fiscal year ending June 30, 2026. This statement requires separate disclosure of certain capital assets, including lease assets (Statement No. 87), right-to-use intangible assets (Statement No. 94), and subscription-based assets (Statement No. 96), presented by major class of the underlying asset. It also requires expanded disclosures for capital assets held for sale. The University is currently assessing the impact of the implementation of Statement No. 104 on its financial statements.

(f) Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities

The University considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the Statement of Net Position date. Liabilities that can reasonably be expected, as part of normal University business operations, to be liquidated within 12 months of the Statement of Net Position date are considered to be current. All other assets and liabilities are considered noncurrent. For classification of current and noncurrent investments, refer to note 2(g).

(g) Cash and Cash Equivalents and Statement of Cash Flows

The University considers highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The University considers amounts included in the California State University (CSU) Consolidated Investment Pool to be investments.

The Statement of Cash Flows does not include the cash flows of the discretely presented component units. Certain discretely presented component units are also participants in the CSU Consolidated Investment

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Pool. The University considers changes in the CSU Consolidated Investment Pool as cash flows from investing activities in the accompanying Statement of Cash Flows.

(h) Investments

Investments are reflected at fair value using quoted market prices. Realized and unrealized gains and losses are included in the accompanying Statement of Revenues, Expenses, and Changes in Net Position as a component of investment income (loss), net.

Investments that are used for current operations are classified as short-term investments. Investments that are restricted from withdrawal or use for other than current operations, designated or restricted for the acquisition or construction of noncurrent assets, designated or restricted for the liquidation of the noncurrent portion of long-term debt obligations, and restricted as to the liquidity of the investments are classified as other long-term investments.

The University invests in the Surplus Money Investment Fund (SMIF), an external investment pool. The State Treasurer invests the SMIF funds through the Pooled Money Investment Account (PMIA). PMIA policy sets as primary investment objectives safety, liquidity, and yield. The Investment Division of the State Treasurer manages the PMIA under statutory authority granted by California Government Code Sections 16430 and 16480.4. The Pooled Money Investment Board governs the PMIA. The State Treasurer chairs this Board, which also includes the State Controller and the State Director of Finance.

(i) Accounts Receivable

The University maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable based on types of receivables and expectations of repayment. In establishing the required allowance, management considers one or more of the following: types of receivables, state guidelines, historical losses adjusted to take into account current market conditions, the amount of receivable in dispute, the current receivable aging, and current payment patterns. The University reviews its allowance for doubtful accounts annually. Past-due balances over 90 days and over a specified amount are reviewed individually for collectibility.

(j) Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased, or, if donated, at estimated acquisition value (an entry price) at date of donation. Capital assets, including infrastructure and intangible assets, with an original value of five thousand dollars or more and with a useful life of over one year, are capitalized. Title to all University assets, whether purchased, constructed, or donated, is held by the State. Although title is not with the University for land and buildings, the University has exclusive use of these assets and is responsible for the maintenance of these assets, and thus has recorded the cost of these assets in the accompanying financial statements. ROU assets are stated at the present value of payments expected to be made during the lease term, less accumulated amortization. Capital assets, with the exception of land and land improvements, works of art and historical treasures, construction work in progress, and certain intangible assets, are depreciated or amortized on a straight-line basis over their estimated useful lives, which ranges from 3 to 45 years. Library books, unless considered rare collections, are capitalized and depreciated over a 10-year period. Periodicals and subscriptions are expensed as

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

purchased. Works of art and historical treasures are valued at cost, if purchased, or the acquisition value at the date of donation, if contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Depreciation and amortization expense is shown separately in the Statement of Revenues, Expenses, and Changes in Net Position rather than being allocated among other categories of operating expenses.

(k) Leases

The University determines if an arrangement is a lease at inception of the lease contract. Lessee arrangements are included in capital assets, net and lease liabilities in the Statement of Net Position. Lease assets represent the University's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized on a straight-line basis over the lease term. Lease liabilities represent the University's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Short-term leases with a term of 12 months or less are recognized as expense as the payments are made.

Lessor arrangements are included in lease receivable and deferred inflows of resources in the Statement of Net Position. Lease receivable represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivable are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term on a straight-line basis. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue on a straight-line basis over the lease term. Short-term leases with a term of 12 months or less are recognized as revenue as the payments are received. Lease revenues are included in other operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position.

(l) Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract in an exchange or exchange-like transaction for a term exceeding 12 months. The University recognizes an ROU subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. ROU subscription assets are amortized on a straight-line basis over the contract term. SBITA liabilities represent the University's obligation to make contract payments arising from the SBITA. Interest expense is recognized ratably over the contract term. The SBITA term may include options to extend or terminate the contract when it is reasonably certain that the University

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

will exercise that option. Short-term SBITAs with a term of 12 months or less are recognized as expense as the payments are made.

(m) Unearned Revenues

Unearned revenues consist primarily of fees collected in advance for summer and fall terms and professional and continuing education programs.

(n) Compensated Absences

The University 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, several leaves qualify for liability recognition for compensated absences. The two most common qualifying leaves - vacation and sick leave are discussed below. The liability for compensated absences is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The University'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

The University's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the University and, upon separation from service, no monetary obligation exists. The pension liability includes an amount for accrued sick leave for employees that qualify as members of the pension system as the ending balance of hours at the time of separation from service convert to service credit. Therefore no amount for these employees is included in the liability for compensated absences. A liability for estimated value of sick leave that will be used by non-member employees as time off is included in the liability for compensated absences.

(o) Grants Refundable

The University periodically receives contributions from the federal government in support of its operation of the Federal Perkins and Nursing Loan programs, both Title IV Loan programs. The federal government has the ability to terminate support of these programs at any time and to request that the University return those contributions on a cumulative basis, such as the Federal Perkins Loan Program, which has expired in 2018. Accordingly, the federal contributions received and retained by the University at year-end are considered liabilities of the University and are reflected as such in the accompanying Statement of Net Position.

(p) Claims Liability for Losses and Loss Adjustment Expenses

The claims liability for losses and loss adjustment expenses included in the aggregate discretely presented component units column of the financial statements includes California State University Risk Management Authority's (CSURMA) estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2025. The liability includes the estimated amount that will be required for future payments of

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

claims that have been reported and claims related to events that have occurred but have not been reported. The liability is also reduced by estimated amounts recoverable from the reinsurance that is related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. The liability is not discounted.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made.

In the estimate of the unpaid losses and loss adjustment expenses, CSURMA and its consulting actuary have employed methods and assumptions they considered reasonable and appropriate given the information currently available. Given the inherent uncertainty in the nature of such estimates, future losses may deviate from those estimates.

(q) *Deferred Outflows of Resources and Deferred Inflows of Resources*

The University classifies losses on debt refundings as deferred outflows of resources and amortizes it as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter.

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience are amortized over a closed period equal to the average employees' remaining service lives. The deferred outflows and inflows of resources related to differences between projected and actual earnings on pension plan investments are netted and amortized over a closed 5-year period. Employer contributions made subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources, recognized as reduction of net pension liability in the following year.

Changes in other postemployment benefits (OPEB) liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average employees' remaining service lives. Employer contributions made subsequent to the measurement date of the OPEB liability are reported as deferred outflows of resources, recognized as reduction in OPEB liability in the following year.

The defeasance of previously outstanding Systemwide Revenue Bond (SRB) debt resulting in losses or gains are recognized as deferred outflows of resources or deferred inflows of resources. These losses or gains are recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Resources received in advance from nonexchange transactions by the University that met all eligibility requirements except for the time requirements are reported as deferred inflows of resources.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(r) Net Position

The University's net position is classified into the following categories:

- Net Investment in Capital Assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources.
- Restricted:
 - Nonexpendable: Net position subject to externally imposed conditions that the University retains in perpetuity. Net position in this category consists of endowments held by the University or its related discretely presented component units.
 - Expendable: Net position subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.
- Unrestricted: All other categories of net position. In addition, unrestricted net position may have legislative or bond indenture requirements associated with their use or may be designated for use by management of the University. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas. University housing programs are a primary example of operations that have unrestricted net position with designated uses.

Restricted or unrestricted resources are spent based upon a variety of factors, including funding restrictions, consideration of prior and future revenue sources, the type of expenses incurred, the University's budgetary policies surrounding the various revenue sources or whether the expense is a recurring cost. Unrestricted net position is negative due primarily to liabilities for pension and other postemployment benefits exceeding University assets available to pay such obligations.

(s) Classification of Revenues and Expenses

The University considers operating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions and from other activities that are connected directly to the University's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include the University's capital and noncapital appropriations from the State, financial aid grants, net investment income, noncapital gifts, interest expense, capital grants and gifts, and changes in permanent endowments.

The State appropriates funds to the University on an annual basis. The appropriations are, in turn, allocated among the campuses by the Office of the Chancellor. Appropriations are recognized as revenue in general when authorization is received and are reported as either noncapital appropriations when used to support general operations or capital appropriations when used for capital projects.

Student tuition and fees revenue and sales and services of auxiliary enterprises, including revenues from student housing programs, are presented net of scholarships and fellowships applied to student accounts.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Certain other scholarship and fellowships are paid directly to, or refunded to, the student and are reflected as operating expenses.

(t) Other Postemployment Benefits (OPEB) Liability

The University's OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees up to June 30, 2024. The University's OPEB liability is determined by discounting the projected benefit for current active employees and retirees based on the discount rate required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for OPEB plans which do not have assets residing in a qualified trust. The University and the State fund their current OPEB expenses on a "pay-as-you-go" basis.

(u) Net Pension Liability

The University records a pension liability equal to the net pension liability for its proportionate share in the State's defined-benefit plans: the State's Miscellaneous Plan and the Peace Officers and Firefighters Plan (Agent Multiple-Employer Defined-Benefit Pension Plans). The net pension liability is measured as the University's proportionate share of the State's total pension liability, less the University's proportionate share of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the cost sharing defined-benefit plans has been measured consistently with the accounting policies used by the plans.

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension, information about the fiduciary net position of the pension plan, and additions to and/or deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

(v) Grant Revenues and Expenses

The University records grant revenue when all applicable grant eligibility requirements are met. Expenses are recorded as expenditures as incurred. Expenditure-driven grant revenues are recorded as the expenditures are incurred, in amounts equal to the expenditures.

(w) Internal Services Activities

Certain institutional internal service providers offer goods and services to University departments, as well as to external customers. These include activities such as copy centers, postal services, and telecommunications. All significant internal service activities provided to University departments have been eliminated in the accompanying financial statements. These eliminations are recorded by removing the revenue and expense in the internal service sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the fiscal year.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(x) Income Taxes

The University is an agency of the State and is treated as a governmental entity for tax purposes. As such, the University is generally not subject to federal or state income taxes. The component units are either exempt governmental entities or not-for-profit organizations exempt under IRC Section 501(c)(3). However, the University and its component units remain subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded. If there is net income from any unrelated trade or business, such provision, in the opinion of management, is not material to the financial statements taken as a whole.

(y) Eliminations

All significant nonexchange transactions between the University and its discretely presented component units have been eliminated from the total column and are separately presented in the eliminations column in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

(z) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results could differ from those estimates.

(3) Cash, Cash Equivalents, and Investments

The University's cash and cash equivalents and investments as of June 30, 2025, are classified in the accompanying Statement of Net Position as follows:

Cash and cash equivalents	\$ 435,351
Investments	
Short-term investments	5,306,231
Endowment investments	1,605
Other long-term investments	2,680,997
Total investments	7,988,833
Total cash and cash equivalents and investments	<u>\$ 8,424,184</u>

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents amounted to \$435,351 as of June 30, 2025.

Cash in demand deposit accounts is minimized by sweeping available cash balances into the CSU Consolidated Investment Pool on a daily basis.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of the custodian, the deposits may not be returned to the University. The University deposits are maintained at financial institutions that are Federal Deposit Insurance Corporation secured. As a result, custodial credit risk for deposits is remote.

(b) Investments

The University's investment portfolio consists primarily of investments in the CSU Consolidated Investment Pool and SMIF. Separate accounting is maintained as to the amounts allocable to the various University funds and programs.

(i) Investment Policy

State law and regulations require that surplus monies of the University be invested. The objectives of the University's investment policy are to safeguard the principal, to meet liquidity needs of the University, and to obtain the best possible return commensurate with the degree of risk the University is willing to assume in obtaining such return. These objectives may be weighted or prioritized differently for individual portfolios depending on the purpose of the portfolio.

The University's investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government Code Section 16430, and Education Code Sections 89724 and 89725, subject to certain limitations.

In general, the University's investment policies for the Liquidity Portfolio (LP) and Intermediate Duration Portfolio (IDP) permit investments in obligations of the Federal and California state governments, certificates of deposit, high-quality domestic corporate fixed-income securities, and certain other investment instruments.

Per the Education and Government Code of the State, permitted investments within the Total Return Portfolio (TRP) include: mutual funds, including equity mutual funds, subject to registration by, and under the regulatory authority of the United States Securities and Exchange Commission (SEC); publicly traded real estate investment trusts registered with the SEC; institutional commingled funds, including commingled trust funds and collective trust funds, offered by investment advisors registered with, and under the regulatory authority of the SEC; and exchange-traded funds subject to registration by, and under the regulatory authority of the SEC. Under State law, investment of funds in the TRP is subject to the University meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not exceed 65.00% of eligible investments. TRP investments amounted to \$3,159,702 as of June 30, 2025. Additional earnings from TRP investments shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(ii) Interest Rate Risk

Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The University's investment guidelines for the Liquidity Portfolio manage its interest rate risk by limiting an eligible investment to maximum effective maturity and by limiting the average duration of the portfolio. The University's investment guidelines for the IDP manage its interest rate risk by generally maintaining the IDP's effective duration to plus or minus 25.00% of the effective duration of the benchmark for the IDP. There are no restrictions on the duration for the investments in the TRP. The effective maturity date reflects a bond with embedded options such as a call, put, or reset date, and prepayment speed resulting in the maturity of a bond being less than the final maturity date. Duration is a measure of the sensitivity of the price of an investment relative to fluctuations in market interest rates.

Durations of the University's investment portfolio for each investment type, except for SMIF in which weighted average life is used, as of June 30, 2025, are presented in the following table:

Investment type	Fair value	Duration
Short term investment funds	48,401	—
Certificates of deposit	133,846	0.10601
U.S. agency securities	92,846	0.99677
U.S. Treasury securities	1,113,120	1.96007
Municipal bonds	17,285	5.73263
Corporate bonds	1,277,312	3.09806
Asset-backed securities	41,145	6.43790
Mortgage-backed securities	420,860	5.97174
Commercial paper	171,317	0.04363
Supranational	1,044	1.50369
Mutual funds		
Fixed income	1,197,676	5.63843
Equity and real assets	1,925,804	—
Other external investment pools	36,221	—
SMIF	1,511,956	—
Total investments	<u>\$ 7,988,833</u>	

Another way the University manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity over time as necessary to provide cash flow and liquidity needed for operations.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(iii) Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The University, except for investments in the TRP, invests in low credit risk securities such as U.S. government securities, securities of federally sponsored agencies, highly rated domestic corporate bonds, prime-rated commercial paper, repurchase and reverse repurchase agreements, banker's acceptance, and negotiable certificates of deposit. Therefore, the credit risk is low and occurrence of default risk is remote.

Investments in the TRP include SEC registered mutual funds invested per a target asset allocation which includes investment grade bonds, higher credit risk bonds (i.e. high yield bonds, bank loans, and emerging market bonds), equities and real assets. Risk for the TRP is viewed holistically and in the context of the overall CSU Consolidated Investment Pool, incorporating quantitative and qualitative assessments into oversight of the TRP. The University accepts a level of risk commensurate with the long-term investment goals of the TRP. The mutual fund investment managers are responsible for assessing the credit risk of the individual securities held in the mutual funds for the TRP. Moreover, certain passive index funds in the TRP will seek to replicate the credit risk of the underlying indices to which the index funds are benchmarked.

Ratings of the University's investment portfolio for each investment type as of June 30, 2025 are presented in the following table:

Investment type	Fair value	AAA	AA	A	BBB	BB	B	CCC	Not rated
Money market funds	\$ —	—	—	—	—	—	—	—	—
Short term investment funds	48,401	—	—	48,401	—	—	—	—	—
Certificates of deposit	133,846	80,508	4,871	48,467	—	—	—	—	—
U.S. agency securities	92,846	77,535	15,311	—	—	—	—	—	—
U.S. Treasury securities	1,113,120	29,015	1,084,105	—	—	—	—	—	—
Municipal bonds	17,285	—	16,543	742	—	—	—	—	—
Corporate bonds	1,277,312	4,468	139,757	1,114,814	18,273	—	—	—	—
Asset-backed securities	41,145	—	41,145	—	—	—	—	—	—
Mortgage-backed securities	420,860	—	420,860	—	—	—	—	—	—
Commercial paper	171,317	115,959	—	55,358	—	—	—	—	—
Supranational	1,044	1,044	—	—	—	—	—	—	—
Mutual funds									
Fixed income	1,197,676	—	853,626	—	—	95,092	230,044	18,914	—
Equity and real assets	1,925,804	—	—	—	—	—	—	—	1,925,804
Other external investment pools	36,221	—	—	—	—	—	36,221	—	—
SMIF	1,511,956	—	—	—	—	—	—	—	1,511,956
Total investments	<u>\$7,988,833</u>	<u>308,529</u>	<u>2,576,218</u>	<u>1,267,782</u>	<u>18,273</u>	<u>95,092</u>	<u>266,265</u>	<u>18,914</u>	<u>3,437,760</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

The credit ratings of mutual funds are based on average credit ratings of the underlying mutual funds. Credit ratings for mutual funds related to equity and real assets are not applicable.

By law, the SMIF only invests in U.S. government securities, securities of federally sponsored agencies, domestic corporate bonds, interest-bearing time deposits in California banks, savings and loan associations and credit unions, prime-rated commercial paper, repurchase and reverse repurchase agreements, security loans, banker's acceptances, negotiable certificates of deposit, and loans to various bond funds.

(iv) Concentration Risk

Concentration risk rises as investments become concentrated relative to a portfolio characteristic such as issuance, issuer, market sector, counterparty, or sovereign nation, and is best mitigated by diversification. The University's investment policy has concentration limits that provide sufficient diversification. As such, the concentration risk is remote.

As of June 30, 2025, there were no investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) that represented 5.00% or more of the University's investment portfolio.

(v) Risk and Uncertainties

The University may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that the changes could materially affect the amounts reported in the Statement of Net Position.

The University, through the CSU Consolidated Investment Pool, invests in securities with contractual cash flows, such as asset-backed securities and mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

(vi) Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned to the University. Substantially all of the University's securities are registered in the University's name by the custodial bank as an agent for the University. As a result, custodial credit risk for such investments is remote.

(vii) Fair Value Measurements

The University uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine the fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The University groups its assets and liabilities measured at fair value in three levels, based on markets in which the asset and liabilities are traded, and the reliability of the assumptions used to determine fair value. The level in the fair value hierarchy with which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset and liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation.

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2025:

Investment type	Fair value	Level 2	NAV	Not required to be leveled
Money market funds	\$ —	—	—	—
Short term investment funds	48,401	—	48,401	—
Repurchase agreements	—	—	—	—
Certificates of deposit	133,846	133,846	—	—
U.S. agency securities	92,846	92,846	—	—
U.S. Treasury securities	1,113,120	1,113,120	—	—
Municipal bonds	17,285	17,285	—	—
Corporate bonds	1,277,312	1,277,312	—	—
Asset-backed securities	41,145	41,145	—	—
Mortgage-backed securities	420,860	420,860	—	—
Commercial paper	171,317	171,317	—	—
Supranational	1,044	1,044	—	—
Mutual funds				
Fixed income	1,197,676	1,197,676	—	—
Equity and real asset	1,925,804	1,925,804	—	—
Other external investment pools	36,221	—	36,221	—
SMIF	1,511,956	—	—	1,511,956
Total investments	<u>\$ 7,988,833</u>	<u>6,392,255</u>	<u>84,622</u>	<u>1,511,956</u>

The following describe the valuation methodologies used for financial assets and liabilities measured at fair value. The techniques utilized in estimating the fair value are affected by the assumptions used.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Investments are classified in Level 1 as fair value is obtained at the last sale price on the last business day of the current fiscal year, as quoted on a recognized exchange or an industry standard pricing, when available. Investments for which no sale was reported as of the close of the last business day of the current fiscal year are valued at the quoted bid price provided by the University's external investment managers or their custodians. There were no investments classified in Level 1.

Investments are classified in Level 2 as fair value is calculated using valuations that include observable market quoted prices for similar assets or liabilities. Observable inputs other than quoted prices such as price services or indices, estimates, appraisals, assumptions, and other methods that are reviewed by management. Changes in market conditions and economic environments may impact on the net asset value (NAV) and consequently, the fair value of the University's interests in the funds.

There were no assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

Money market funds are not categorized under the fair value hierarchy and are shown at NAV used as a practical expedient to estimate fair value. These investments are measured at amortized cost when calculating NAV per share (or its equivalent) of the investment.

(viii) Foreign Currency Risk

Foreign currency risk, also known as exchange rate risk, is the risk arising from fluctuations in the value of a base currency (U.S. dollar) against foreign currencies related to the underlying currency denomination of securities held for investment.

The majority of the Consolidated Investment Pool is invested in U.S. dollar denominated securities without foreign currency risk.

However, the TRP includes allocations to non-U.S. equities and non-dollar-denominated bonds in the underlying mutual funds for the TRP. The TRP Investment Policy includes an asset allocation policy with targets and acceptable ranges for each asset class, including non-U.S. equity and emerging markets bonds. Additionally, mutual funds utilized in other asset classes within the TRP may also have some foreign currency exposure. However, all mutual funds in the TRP are denominated in U.S. dollars.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(ix) Discretely Presented Component Units' Investments

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2025:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 116,761	13,972	130,733
Short term investment funds	568	16	584
Certificates of deposit	6,267	12,728	18,995
U.S. agency securities	1,705	24,295	26,000
U.S. Treasury securities	219,324	169,796	389,120
Municipal bonds	1,394	6,499	7,893
Corporate bonds	87,581	208,273	295,854
Asset-backed securities	689	591	1,280
Mortgage-backed securities	8,969	44,464	53,433
Commercial paper	3,995	55	4,050
Supranational	13	—	13
Mutual funds	310,010	1,227,724	1,537,734
Exchange-traded funds	97,509	610,732	708,241
Equity securities	89,557	568,048	657,605
Alternative investments			
Private equity (including limited partnerships)	8,148	320,564	328,712
Hedge funds	8,110	145,424	153,534
Real estate investments (including real estate investment trust)	1,720	54,476	56,196
Commodities	—	33,831	33,831
Other alternative investments	4,354	112,864	117,218
Other external investment pools	426	44,345	44,771
Local Agency Investment Fund (LAIF)	287,215	11,787	299,002
SMIF	2	—	2
Other investments	423	32,791	33,214
Total investments	\$ 1,254,740	3,643,275	4,898,015

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

The following table presents investments of the discretely presented component units that are measured at fair value on a recurring basis at June 30, 2025:

Investment type	Fair value	Level 1	Level 2	Level 3	NAV
Money market funds	\$ 130,733	67,299	34,423	—	29,011
Short term investment funds	584	—	—	—	584
Certificates of deposit	18,995	6,378	12,617	—	—
U.S. agency securities	26,000	2,620	23,380	—	—
U.S. Treasury securities	389,120	251,809	131,465	—	5,846
Municipal bonds	7,893	747	7,146	—	—
Corporate bonds	295,854	135,860	158,931	—	1,063
Asset-backed securities	1,280	—	1,280	—	—
Mortgage-backed securities	53,433	9,501	40,212	—	3,720
Commercial paper	4,050	1,982	2,068	—	—
Supranational	13	—	13	—	—
Mutual funds	1,537,734	1,485,523	52,211	—	—
Exchange-traded funds	708,241	703,892	4,349	—	—
Equity securities	657,605	401,378	114,985	1,469	139,773
Alternative investments					
Private equity (including limited partnerships)	328,712	—	—	17,637	311,075
Hedge funds	153,534	284	3,323	—	149,927
Real estate investments (including real estate investment trust)	56,196	380	3,826	10,469	41,521
Commodities	33,831	—	13,946	—	19,885
Other alternative investments	117,218	875	—	2,231	114,112
Other external investment pools	44,771	—	437	44,334	—
LAIF	299,002	—	—	—	299,002
SMIF	2	—	—	—	2
Other investments	33,214	11,230	339	574	21,071
Total investments	\$ 4,898,015	3,079,758	604,951	76,714	1,136,592

For additional information regarding the investments and investment policies of the individual discretely presented component units, please refer to the separately issued financial statements.

Investments reported by the University of \$54,580 are invested under contractual agreements on behalf of the discretely presented component units of the University.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(4) Accounts Receivable

Accounts receivable of the University at June 30, 2025 consisted of the following:

	Current	Noncurrent	Total
State appropriations	\$ 519	835	1,354
Discretely presented component units	88,072	1,809	89,881
Student accounts	193,552	—	193,552
Government grants and contracts	55,509	—	55,509
Others			
Nongovernmental grants and contracts	1,479	—	1,479
Accounts receivable from campuses (other than CO)	5,924	—	5,924
Interest receivable (accrued interest) on investments	51,182	—	51,182
Accrued interest on capital leases receivable (exclude DPCUs)	983	—	983
Other receivables	90,089	152	90,241
	<u>487,309</u>	<u>2,796</u>	<u>490,105</u>
Less allowance for doubtful accounts	(80,875)	—	(80,875)
Total accounts receivable, net	<u>\$ 406,434</u>	<u>2,796</u>	<u>409,230</u>

(5) Lease Receivable

The University leases building and ground space to its discretely presented component units or external parties. The leases expire at various dates through 2083 and provide renewal options ranging from one year to fifteen years. The University recognizes lease receivable and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using implicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University recognized revenues related to lease agreements totaling \$20,754 for the year ended June 30, 2025, reported in other operating revenues in the Statements of Revenues, Expenses and Changes in Net Position.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Future minimum lease payments to be received under lessor arrangements as of June 30, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2026	\$ 20,954	4,692	25,646
2027	18,618	4,202	22,820
2028	17,590	3,720	21,310
2029	17,264	3,262	20,526
2030	17,116	2,819	19,935
2031 - 2035	67,792	8,009	75,801
2036 - 2040	18,329	3,025	21,354
2041 - 2045	6,566	1,771	8,337
2046 - 2050	3,183	1,153	4,336
2051 - 2055	970	925	1,895
Thereafter	5,666	2,764	8,430
Total	<u>\$ 194,048</u>	<u>36,342</u>	<u>230,390</u>

(6) Notes Receivable

The University has entered into note agreements primarily with certain discretely presented component units to finance the discretely presented component units existing and newly constructed facilities. Notes receivable from discretely presented component units amounted to \$651,220. Interest rates range from 0.35% to 6.48%. Note payments are due twice a year, on May 1 and November 1.

Under the agreements, payments are due to the University as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2026	\$ 20,005	21,570	41,575
2027	30,700	19,056	49,756
2028	26,517	18,284	44,801
2029	27,002	17,484	44,486
2030	27,946	16,653	44,599
2031 - 2035	135,289	70,387	205,676
2036 - 2040	120,978	49,796	170,774
2041 - 2045	107,392	32,025	139,417
2046 - 2050	65,255	15,103	80,358
2051 - 2055	38,035	3,856	41,891
Thereafter	52,101	—	52,101
Total	<u>\$ 651,220</u>	<u>264,214</u>	<u>915,434</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(7) Capital Assets

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

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending balance</u>
Nondepreciable/nonamortizable capital assets					
Land and land improvements	\$ 430,404	5	—	—	430,409
Works of art and historical treasures	61,410	600	—	—	62,010
Construction work in progress	1,281,282	1,177,892	(1,320)	(675,731)	1,782,123
Intangible assets	12,876	32	(45)	(156)	12,707
Total nondepreciable/nonamortizable capital assets	<u>1,785,972</u>	<u>1,178,529</u>	<u>(1,365)</u>	<u>(675,887)</u>	<u>2,287,249</u>
Depreciable/amortizable capital assets					
Buildings and building improvements	17,115,175	18,416	(1,803)	574,876	17,706,664
Improvements other than buildings	1,010,638	2,050	(1,481)	22,957	1,034,164
Infrastructure	1,717,625	6,733	(8,342)	74,133	1,790,149
Personal property					
Equipment	1,066,693	53,434	(36,243)	3,765	1,087,649
Library books and materials	403,156	6,831	(3,996)	—	405,991
Intangible assets	351,548	18,474	(1,846)	156	368,332
Total depreciable/amortizable capital assets	<u>21,664,835</u>	<u>105,938</u>	<u>(53,711)</u>	<u>675,887</u>	<u>22,392,949</u>
Total cost	<u>23,450,807</u>	<u>1,284,467</u>	<u>(55,076)</u>	<u>—</u>	<u>24,680,198</u>
Less accumulated depreciation/amortization					
Buildings and building improvements	(8,454,485)	(498,131)	441	—	(8,952,175)
Improvements other than buildings	(685,330)	(37,925)	1,080	—	(722,175)
Infrastructure	(726,748)	(49,621)	8,514	—	(767,855)
Personal property					
Equipment	(821,529)	(64,374)	34,944	—	(850,959)
Library books and materials	(371,194)	(6,278)	4,045	—	(373,427)
Intangible assets	(270,136)	(12,818)	1,846	—	(281,108)
Total accumulated depreciation/amortization	<u>(11,329,422)</u>	<u>(669,147)</u>	<u>50,870</u>	<u>—</u>	<u>(11,947,699)</u>
Total capital assets, net excluding ROU assets	<u>\$ 12,121,385</u>	<u>615,320</u>	<u>(4,206)</u>	<u>—</u>	<u>12,732,499</u>
ROU lease and subscription assets, net					624,442
Total capital assets, net					<u>\$ 13,356,941</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

The University's ROU lease assets and related accumulated amortization for the year ended June 30, 2025 are as follows:

	Beginning balance	Additions	Remeasurements	Reductions	Transfers	Ending balance
Amortizable lease assets						
Land and land improvements	\$ 3,518	37	(11)	(141)	—	3,403
Buildings and building improvements	560,293	71,742	1,348	(13,253)	—	620,130
Improvements other than buildings	325	—	—	—	(315)	10
Infrastructure	235	—	—	(18)	—	217
Personal property						
Equipment	12,937	5,985	329	(3,033)	315	16,533
Total amortizable right-to-use lease assets	577,308	77,764	1,666	(16,445)	—	640,293
Less accumulated amortization						
Land and land improvements	(807)	(244)	—	141	—	(910)
Buildings and building improvements	(100,634)	(41,879)	—	13,253	—	(129,260)
Improvements other than buildings	(126)	(3)	—	—	121	(8)
Infrastructure	(78)	(20)	—	18	—	(80)
Personal property						
Equipment	(7,250)	(2,891)	—	3,033	(121)	(7,229)
Total accumulated amortization	(108,895)	(45,037)	—	16,445	—	(137,487)
Total ROU lease assets, net	\$ 468,413	32,727	1,666	—	—	502,806

The University's ROU subscription assets and related accumulated amortization for the year ended June 30, 2025 are as follows:

	Beginning balance	Additions	Remeasurements	Reductions	Ending balance
Subscription assets	\$ 158,985	110,620	23,198	(52,323)	240,480
Less accumulated amortization	(90,056)	(81,111)	—	52,323	(118,844)
Total ROU subscription assets, net	\$ 68,929	29,509	23,198	—	121,636

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2025 consisted of the following:

	Beginning balance	Additions	Retirements	Transfers	Ending balance
Nondepreciable/nonamortizable capital assets					
Land and land improvements	\$ 159,182	23,429	(3,680)	—	178,931
Works of art and historical treasures	12,830	392	(256)	—	12,966
Construction work in progress	69,874	61,712	(8,385)	(57,961)	65,240
Intangible assets	189	35	(11)	(11)	202
Total nondepreciable/nonamortizable capital assets	242,075	85,568	(12,332)	(57,972)	257,339
Depreciable/amortizable capital assets					
Buildings and building improvements	748,090	162,219	(7,695)	29,549	932,163
Improvements other than buildings	210,142	5,925	(2,869)	20,126	233,324
Infrastructure	8,717	—	—	—	8,717
Personal property					
Equipment	289,500	30,525	(21,858)	8,286	306,453
Intangible assets	4,874	102	(23)	11	4,964
Total depreciable/amortizable capital assets	1,261,323	198,771	(32,445)	57,972	1,485,621
Total cost	1,503,398	284,339	(44,777)	—	1,742,960
Less accumulated depreciation/amortization					
Buildings and building improvements	(299,849)	(29,933)	4,879	—	(324,903)
Improvements other than buildings	(112,175)	(10,461)	540	—	(122,096)
Infrastructure	(3,456)	(218)	—	—	(3,674)
Personal property					
Equipment	(210,798)	(22,862)	16,224	—	(217,436)
Intangible assets	(4,428)	(152)	32	—	(4,548)
Total accumulated depreciation/amortization	(630,706)	(63,626)	21,675	—	(672,657)
Total capital assets, net excluding ROU asset	\$ 872,692	220,713	(23,102)	—	1,070,303
ROU lease and subscription assets, net					204,926
Total capital assets, net					\$ 1,275,229

For additional information regarding the capital assets, net of the individual discretely presented component units of the University, refer to the separately issued financial statements.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

The University's discretely presented component units' ROU lease assets and related accumulated amortization for the year ended June 30, 2025 are as follows:

	Beginning balance	Additions	Remeasurements	Reductions	Ending balance
Amortizable lease assets					
Land and land improvements	\$ 10,934	—	5,048	(20)	15,962
Buildings and building improvements	268,845	4,038	(5,087)	(4,535)	263,261
Improvements other than buildings	38,373	3,178	—	—	41,551
Infrastructure	484	—	—	—	484
Personal property					
Equipment	6,566	535	(306)	(1,444)	5,351
Total amortizable right-to-use lease assets	<u>325,202</u>	<u>7,751</u>	<u>(345)</u>	<u>(5,999)</u>	<u>326,609</u>
Less accumulated amortization					
Land and land improvements	(458)	(675)	(1,066)	10	(2,189)
Buildings and building improvements	(103,583)	(16,932)	2,303	2,714	(115,498)
Improvements other than buildings	(6,771)	(2,257)	—	—	(9,028)
Infrastructure	(108)	(36)	—	—	(144)
Personal property					
Equipment	(2,516)	(620)	(46)	1,373	(1,809)
Total accumulated amortization	<u>(113,436)</u>	<u>(20,520)</u>	<u>1,191</u>	<u>4,097</u>	<u>(128,668)</u>
Total ROU lease assets, net	<u>\$ 211,766</u>	<u>(12,769)</u>	<u>846</u>	<u>(1,902)</u>	<u>197,941</u>

The University's discretely presented component units' ROU subscription assets and related accumulated amortization for the year ended June 30, 2025 are as follows:

	Beginning balance	Additions	Remeasurements	Reductions	Ending balance
ROU subscription assets	\$ 13,250	2,205	602	(460)	15,597
Less accumulated amortization	(5,510)	(3,435)	(133)	466	(8,612)
Total ROU subscription assets, net	<u>\$ 7,740</u>	<u>(1,230)</u>	<u>469</u>	<u>6</u>	<u>6,985</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(8) Lease Liabilities

The University leases land, building space, and equipment for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2098 and provide for renewal options ranging from one year to ten years. In accordance with GASB Statement No. 87, the University records ROU assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the explicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases subject to a residual value guarantee.

Lease liabilities activity of the University for the year ended June 30, 2025 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Lease liabilities	465,748	78,164	(882)	(37,061)	505,969	184,594

Future minimum lease payments of the University under lessee arrangements as of June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2026	\$ 184,594	20,902	205,496
2027	24,397	11,648	36,045
2028	22,044	10,698	32,742
2029	21,253	10,004	31,257
2030	20,764	9,335	30,099
2031 - 2035	84,025	37,494	121,519
2036 - 2040	73,204	23,528	96,732
2041 - 2045	48,365	11,028	59,393
2046 - 2050	18,716	4,138	22,854
2051 - 2055	7,949	1,336	9,285
Thereafter	658	871	1,529
Total	\$ 505,969	140,982	646,951

The University's discretely presented component units' lease liabilities activity as of June 30, 2025 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Lease liabilities	\$ 218,426	7,395	(1,172)	(25,879)	198,770	22,009

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Future minimum lease payments of the University's discretely presented component units under lessee arrangements as of June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2026	\$ 22,009	5,487	27,496
2027	22,050	4,881	26,931
2028	19,763	4,247	24,010
2029	18,584	3,723	22,307
2030	18,630	3,137	21,767
2031 - 2035	73,587	8,617	82,204
2036 - 2040	13,739	2,580	16,319
2041 - 2045	1,645	1,710	3,355
2046 - 2050	813	1,504	2,317
2051 - 2055	842	1,361	2,203
Thereafter	7,108	3,562	10,670
Total	<u>\$ 198,770</u>	<u>40,809</u>	<u>239,579</u>

(9) Subscription-Based Information Technology Arrangements (SBITA) Liabilities

The University enters into subscription-based arrangements which expire at various dates through 2034. In accordance with GASB Statement No. 96, the University recognizes a right-to-use subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. Similar to leases, the expected future subscription payments are discounted using the explicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. SBITA liabilities activity of the University for the year ended June 30, 2025 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
SBITA liabilities	\$ 52,014	103,401	18,991	(77,775)	96,631	44,093

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Future annual subscription payments of the University under subscription-based arrangements as of June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30			
2026	\$ 44,093	4,482	48,575
2027	29,813	2,486	32,299
2028	12,260	1,103	13,363
2029	8,180	511	8,691
2030	1,436	103	1,539
2029 - 2030	849	85	934
Total	<u>\$ 96,631</u>	<u>8,770</u>	<u>105,401</u>

The University's discretely presented component units' SBITA liabilities as of June 30, 2025 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
SBITA liabilities	<u>\$ 6,321</u>	<u>2,289</u>	<u>363</u>	<u>(4,021)</u>	<u>4,952</u>	<u>2,086</u>

Future annual subscription payments of the University' discretely presented component units under subscription-based arrangements as of June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2026	\$ 2,086	184	2,270
2027	1,483	108	1,591
2028	1,086	43	1,129
2029	211	10	221
2030	54	4	58
2029 - 2032	32	1	33
Total	<u>\$ 4,952</u>	<u>350</u>	<u>5,302</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(10) Long-Term Debt Obligations

(a) State's General Obligation (GO) Bond Program

The GO Bond program of the State has provided capital outlay funds for the three segments of California Higher Education through voter-approved bonds. Each of the approved bond programs provides a pool of available funds, which is allocated on a project-by-project basis among the University, the University of California, and the community colleges. Financing provided to the University through the GO Bonds is not allocated to the University by the State. This debt remains as obligation of the State and is funded by state tax revenues. Accordingly, such debt is not reflected in the accompanying financial statements. The total GO Bonds carried by the State related to the University projects is approximately \$1,553,555 as of June 30, 2025.

(b) Systemwide Revenue Bond (SRB) Program

The State University Revenue Bond Act of 1947, Sections 90010 through 90091 of the Education Code of the State of California (the Bond Act) authorizes the Trustee to issue revenue bonds to finance projects that support the University's educational mission. The University's financing program, referred to as the SRB Program, is designed to provide lower cost debt and greater flexibility to finance projects at the University than would be possible if projects were financed separately. Rather than relying on specific pledged revenues to support specific debt obligations, the SRB program pools multiple sources of revenue as the security for the debt. The University's total outstanding balance of revenue bond indebtedness under the SRB program was \$9,556,165 at June 30, 2025. Under the Bond Act authority, the University has constructed or acquired facilities located at its 23 campuses and the Office of the Chancellor.

In 2014, the State enacted legislation that granted additional capital financing authorities to the University, leading to the SRB program expanding to allow the financing of academic facilities and energy conservation projects. Allowable academic projects include constructing and equipping of new and existing academic facilities; infrastructure; deferred maintenance; and refunding of SPWB lease revenue bonds (which funded the construction of certain academic facilities of the University).

SRBs are not secured by mortgages on the facilities constructed or acquired and therefore the facilities do not act as security for the debt. Revenues pledged under the SRB program include program fees from professional and continuing education, health center facilities, housing, parking, and student union; student tuition and fees; and designated auxiliary revenues, net of maintenance and operation expenses before extraordinary items (net income available for debt service), to repay the bonds.

The SRB Indenture (the Indenture) contains provisions that define events of default related to punctuality of the payment of the outstanding principal and interest. Additionally, the Indenture describes the process for which other events of default by the Board related to covenants, agreements, or conditions of the Indenture occur for a period of 60 days after written notice by bondholders of not less than 25.00% in aggregate principal amount of the bonds outstanding requiring remediation. Further, the Indenture specifies the process which the Trustees may undertake, at the request of the majority of the bondholders, to declare the principal of all of the bonds then outstanding and the interest accrued to be immediately due and payable.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(c) Commercial Paper (CP)

The University manages a commercial paper program, which provides for secured borrowings through issuance of Series A Tax Exempt and Series B Taxable Notes up to an authorized aggregate principal and accrued interest amount of \$500 million. The commercial paper notes are issued in denominations of \$1 thousand principal amounts each or any integral multiple thereof. The commercial paper program is supported by a \$300 million letter of credit facility, issued on a several but not joint basis by State Street Bank and Trust Company and Wells Fargo Bank, National Association.

The Trustees have authorized the issuance of commercial paper to provide short-term financing to the University for certain projects. Commercial paper is generally issued for periods of up to three years in anticipation of issuing permanent revenue bonds at a future date. State law was amended in 2008 to allow commercial paper maturities to extend beyond three years and the maturity date for the issuance of commercial paper to be determined by the Trustees.

The University's commercial paper program permits the issuance of tax-exempt and taxable notes at varying interest rates. The minimum and maximum weighted average interest rates for the year ended June 30, 2025 were as follows:

Tax exempt Commercial Paper minimum interest rate of 2.60% to 3.55% maximum interest rate; and

Taxable Commercial Paper minimum interest rate of 4.35% to 5.48% maximum interest rate

The University's commercial paper totaled \$289,285 at June 30, 2025. The authorized amounts totaled \$744,635, of which \$455,350 has not been issued.

The commercial paper program is bound by certain agreements, including the Reimbursement Agreement with the letter of credit banks. Upon the occurrence of certain events of default specified in the Reimbursement Agreement, the University's ability to issue notes may be terminated or be suspended by the banks.

(d) State Public Works Board (SPWB) Lease Revenue Bond

The University participates in the State's SPWB lease revenue bond program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California Department of Finance augments the University's operating budget to provide additional funds for the required debt payments. The long-term debt obligation related to SPWB as of June 30, 2025 is \$96,805.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Long-term debt obligations of the University as of June 30, 2025 consisted of the following:

Description	Interest rate (%)	Final maturity date	Original issue amount	Amount outstanding
SRB				
Series 2007-B	5.45-5.55	2037/38	\$ 13,165	6,160
Series 2007-C	5.00	2028/29	63,275	5,135
Series 2010-B	5.55-6.48	2041/42	205,145	198,010
Series 2012-B	4.17	2036/37	16,700	11,350
Series 2013-A	3.00-5.00	2023/24	222,340	—
Series 2014-A	3.00-5.00	2026/27	106,270	3,030
Series 2015-A	2.25-5.00	2047/48	1,032,920	770,510
Series 2015-B	3.31-4.41	2035/36	29,305	5,815
Series 2016-A	2.50-5.00	2045/46	1,133,105	992,540
Series 2016B-1	1.60	2047/48	50,000	50,000
Series 2016B-2	0.55	2049/50	100,000	100,000
Series 2016B-3	4.00	2051/52	100,000	100,000
Series 2017-A	3.00-5.00	2047/48	812,030	674,190
Series 2017-B	2.58-3.90	2047/48	335,155	327,015
Series 2017-C	3.25-5.00	2037/38	49,175	36,170
Series 2018-A	5.00	2050/51	492,690	446,700
Series 2018-B	3.20-4.25	2050/51	171,000	157,420
Series 2019-A	4.00-5.00	2051/52	449,430	418,470
Series 2019-B	2.08-3.59	2051/52	81,335	68,610
Series 2020-A	5.00	2031/32	65,240	24,455
Series 2020-B	1.56-3.07	2051/52	829,425	797,785
Series 2020-C	2.25 - 5.00	2051/52	314,030	307,930
Series 2020-D	0.48 - 2.82	2042/43	528,575	425,790
Series 2020-E	0.48 - 3.27	2060/61	466,010	455,230
Series 2021-A	3.00-5.00	2052/53	124,235	92,905
Series 2021-B	0.35-2.94	2052/53	1,664,085	1,618,265
Series 2023A	5.00-5.25	2053/54	337,155	336,400
Series 2023B	4.6-5.2	2053/54	462,200	455,365
Series 2024A	3.6-5.5	2055/56	659,325	659,325
Series 2024B	4.4-5.3	2043/44	11,590	11,590
			<u>\$ 10,924,910</u>	9,556,165
Commercial paper	Various			289,285
SPWB lease revenue bond	Various			96,805
Others	Various			214,272
Total				<u>10,156,527</u>
Unamortized net bond premium				<u>613,023</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Description	Interest rate (%)	Final maturity date	Original issue amount	Amount outstanding
Total long-term debt obligations				10,769,550
Less current portion				(278,557)
Total long-term debt obligations, net of current portion				<u>\$ 10,490,993</u>

Long-term debt principal and interest are payable in the following fiscal years:

	Principal	Interest	Total
Fiscal year ending June 30:			
2026	\$ 278,557	388,705	667,262
2027	317,778	378,568	696,346
2028	324,851	369,625	694,476
2029	328,496	357,937	686,433
2030	338,896	345,846	684,742
2031 - 2035	1,755,325	1,524,752	3,280,077
2036 - 2040	1,736,627	1,176,144	2,912,771
2041 - 2045	1,999,746	794,790	2,794,536
2046 - 2050	1,866,574	400,268	2,266,842
2051 - 2055	1,020,125	92,416	1,112,541
Thereafter	189,552	8,598	198,150
Total	<u>\$ 10,156,527</u>	<u>5,837,649</u>	<u>15,994,176</u>

Long-term debt obligations of the discretely presented component units have been issued to purchase or construct facilities for University-related uses. For additional information regarding long-term debt obligations of the individual discretely presented component units, refer to the separately issued financial statements.

The Board of Trustees does not have a specified debt limit or debt margin, as noted in the University's Policy for Financing Activities. However, the Board finds it appropriate to establish the lowest cost debt financing programs for the University, and to use the limited debt capacity in the most prudent manner.

As of June 30, 2025, the Board had approved SRB and commercial paper that were authorized but unissued in the aggregate principal amount of \$1,695,148 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2025, there are approximately \$96,805 of remaining authorized and unissued debt for the purpose of refunding certain bonds of the State's State Public Works Board (SPWB) Lease Revenue Bond not previously refunded. The Board may issue all or a portion of these authorized bonds as well as other additional bonds for other new money projects or refunding purposes. The Board expects to authorize the issuance of additional Systemwide Revenue Bonds from time to time in the future. There is no limit on the amount of SRB that the Board may authorize.

The University has participated in the SPWB Lease Revenue Bond program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California Department of Finance augments the University's operating budget to provide additional funds for the required debt payments. The long-term debt due to SPWB is to be repaid by fiscal year 2035.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2025 are as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 320,222	6,078	-	326,300	166,317
Long-term debt obligations (note 10):					
SRB	9,128,360	670,915	(243,110)	9,556,165	263,665
Commercial Paper	171,877	213,251	(95,843)	289,285	436
SPWB lease revenue bond	96,805	—	—	96,805	3,525
Other	113,777	121,132	(20,637)	214,272	10,931
	9,510,819	1,005,298	(359,590)	10,156,527	278,557
Unamortized net bond premium	563,907	79,101	(29,985)	613,023	—
Total long-term debt obligations	10,074,726	1,084,399	(389,575)	10,769,550	278,557
Total long-term liabilities, excluding lease and SBITA liabilities	<u>\$10,394,948</u>	<u>1,090,477</u>	<u>(389,575)</u>	11,095,850	444,874
Lease liabilities				505,969	184,594
SBITA liabilities				96,631	44,093
Total long-term liabilities				<u>\$ 11,698,450</u>	<u>673,561</u>

The addition presented for accrued compensated absences represents the net of total increases (such as earned leave and salary-related accruals) and total decreases (such as leave used, paid, or forfeited) during the fiscal year.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2025, are as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 30,056	11,247	—	41,303	29,050
Claims liability for losses and loss adjustment expenses	70,677	60,222	(33,224)	97,675	33,550
Long-term debt obligations					
Revenue bonds	14,375	—	(1,260)	13,115	1,555
Commercial paper, including principal rollovers	171,877	750,887	(801,364)	121,400	—
Notes payable	460,726	102,739	(79,895)	483,570	60,912
Other	72,897	287	(7,609)	65,575	8,330
	719,875	853,913	(890,128)	683,660	70,797
Unamortized net bond premium	38,098	7,411	(2,621)	42,888	—
Total long-term debt obligations	757,973	861,324	(892,749)	726,548	70,797
Total long-term liabilities, excluding lease and SBITA liabilities	\$ 858,706	932,793	(925,973)	865,526	133,397
Lease liabilities				198,771	22,009
SBITA liabilities				4,952	2,086
Total long-term liabilities				\$ 1,069,249	157,492

The University has entered into agreements with certain discretely presented component units to finance existing and newly constructed facilities using proceeds from issuance of SRB and commercial paper, of which \$483,570 is included in notes payable and \$46,250 in other long-term debt obligations as of June 30, 2025.

The addition presented for accrued compensated absences represents the net of total increases (such as earned leave and salary-related accruals) and total decreases (such as leave used, paid, or forfeited) during the fiscal year.

For additional information regarding the long-term liabilities of the individual discretely presented component units of the University, refer to the separately issued financial statements.

(12) Pension Plan

(a) Pension Plan Description

The University participates in the State's Public Employee's Retirement Fund A (PERF A). PERF A is comprised of agent multiple-employer plans, in which CalPERS acts as an investment and administrative agent for participating employers. State employees served by PERF A include the University's Miscellaneous Tier 1 employees and Peace Officers and Firefighters.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(b) Benefits Provided

The plan also provides survivor, death, and disability benefits. Eligible employees are covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) for medical benefits. The benefit provisions are established by the Public Employee's Retirement Law (PERL) and the Public Employees' Pension Reform Act of 2013 (PEPRA).

A full description of the pension plans regarding numbers of employees covered, benefit provision, assumptions, and membership information are listed in the June 30, 2023, Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report.

In general, retirement benefits are based on a formula using member's years of service credit, age at retirement, and final compensation (average salary for a defined period of employment). Retirement formulas vary based on:

- Classification (e.g., miscellaneous or peace officers and firefighters)
- Membership category (pre-PEPRA and post-PEPRA); and
- Specific provisions in employees' contracts.

CalPERS issues a publicly available Actuarial Valuation Report and Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. Copies of the CalPERS Actuarial Valuation Report and ACFR may be obtained at www.CalPERS.ca.gov or from the California Public Employees' Retirement System Executive Office, 400 P Street, Sacramento, CA 95814.

(c) Pensionable Compensation

For the University, the plan acts as cost sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension and postretirement program for substantially all eligible University employees. The University's proportion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The pensionable compensation has a measurement period of July 1, 2023 through June 30, 2024.

(d) Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2024, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 7.49% and 11.87% of annual payroll, respectively. For the measurement period ended June 30, 2024, the State's contribution rates for State

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Miscellaneous and Peace Officer and Firefighters Plans are 30.97% and 47.91% of annual payroll, respectively.

State Miscellaneous Plan members of the University are required to contribute 5.00% of their annual earnings in excess of \$513 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered "new members" to CalPERS are required to contribute 50.00% of the normal cost for their category (e.g., State Miscellaneous Plan members contribute 8.00% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

State Peace Officers and Firefighters Plan members of the University are required to contribute 8.00% of their annual earnings in excess of \$238 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered "new members" to CalPERS are required to contribute 50.00% of the normal cost for their category (e.g., State Peace Officers and Firefighters Plan members contribute 13.25% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

The contribution requirements of the plan members are established and may be amended by CalPERS. The contractual maximum contribution required for the University is determined by the annual CalPERS compensation limit(s), which are based on provisions of Assembly Bill (AB) 340 and the IRC 401(a) 17 limits. The University's contributions to CalPERS for the most recent three fiscal years ended June 30 were equal to the required contributions and are as follows:

	<u>Contributions</u>	
Fiscal year ended June 30:		
2025	\$	1,064,006
2024		1,208,556
2023		1,132,533

In 2018, the State made a supplemental pension contribution of \$876.84 million to CalPERS on behalf of the University as authorized by Government Code Section 20825. The University shall repay \$156.28 million of the amount contributed through June 30, 2030, while the remainder was recognized as State appropriations, noncapital in 2018. As of June 30, 2025, the outstanding amount to be repaid by the University has been paid in full.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(e) Actuarial Methods and Assumptions

The total pension liability was measured as of June 30, 2024 (measurement date), by rolling forward the total pension liability determined by the June 30, 2023 actuarial valuation (valuation date), based on the following actuarial methods and assumptions:

Valuation date	June 30, 2023
Actuarial cost method	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%
Mortality rate of return	Derived using CalPERS' membership data for all funds
Postretirement benefit increase	The lesser of contract cost of living allowance or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80.00% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(f) Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(g) Investment Rate of Return

The long-term expected rate of return on pension plan investments of 6.90% was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the PERF's asset classes, expected

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

compound (geometric returns) were calculated over the next 20 years using a building-block approach. The expected real rates of return by asset class are as follows:

Asset class	Assumed asset allocation	Real return^{1,2}
	%	%
Global equity - Cap weighted	30.00	4.54
Global equity - Non-Cap weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	100.00	

¹An expected inflation of 2.30% used for this period

²Figures are based on the 2021 Asset Liability Management study

(h) Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the University's proportionate share of net pension liability of the State Miscellaneous and Peace Officers and Firefighters Plans (collectively the Plans) as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.90%) or one-percentage point higher (7.90%) than the current rate:

Plan	Discount rate -1%	Current discount rate	Discount rate +1%
Miscellaneous Plan	\$ 11,832,871	7,796,565	4,427,531
Peace Officers and Firefighters Plan	263,651	163,317	81,262
Total net pension liability	\$ 12,096,522	7,959,882	4,508,793

(i) Changes in Net Pension Liability

The University reported a liability of \$7,959,882 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2023 rolled forward to the measurement date. The University's portion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The State considered this a practical,

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

systematic, and rational approach. At the measurement date of June 30, 2024, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans was 22.4788% and 1.1084%, respectively.

	State Miscellaneous Plan	State Peace Officers and Firefighters Plan	Total
Balance at June 30, 2023 (measurement date)	\$ 8,678,414	178,165	8,856,579
Changes in proportionate share	(40,692)	7,575	(33,117)
Balance at June 30, 2023, adjusted	8,637,722	185,740	8,823,462
Changes recognized for the measurement period			
Service cost	609,855	13,853	623,708
Interest on total pension liability	2,137,638	47,547	2,185,185
Recognized difference between expected and actual experience	204,766	2,894	207,660
Plan to plan resource movement	108	3	111
Employer contributions	(1,369,754)	(31,894)	(1,401,648)
Employee contributions	(286,322)	(5,734)	(292,056)
Projected earnings on pension plan assets	(1,561,394)	(35,310)	(1,596,704)
Investment earnings greater than projected earnings	(594,543)	(14,198)	(608,741)
Administrative expenses	18,489	416	18,905
Net changes	(841,157)	(22,423)	(863,580)
Balance at June 30, 2024 (measurement date)	\$ 7,796,565	163,317	7,959,882

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. For example, for the accounting valuations, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(j) Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

The University recognized pension expense of \$1,081,488 for the State Miscellaneous Plan and State Peace Officers and Firefighters Plan, which were reported as benefits expense.

The following table presents deferred outflows and inflows of resources as of June 30, 2025 related to pension.

	Deferred outflows of resources	Deferred inflows of resources
University's retirement contributions subsequent to the measurement date	\$ 1,064,006	—
Net differences between projected and actual earnings on pension plan investments	381,674	—
Differences due to changes in assumptions	262,197	—
Differences due to changes in proportionate share	6,630	162,018
Differences between expected and actual experience	432,463	79,045
Total	<u>\$ 2,146,970</u>	<u>241,063</u>

Deferred outflows of resources recognized for the University's retirement contributions made subsequent to the measurement date of June 30, 2024, will be recognized as a reduction of the net pension liability in the next measurement date.

The deferred outflows of resources will be recognized as pension expense as follows:

Measurement period ended June 30	Initial differences*	Recognition period (year)	Increase (Decrease) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)				Total
			2025	2026	2027	2028	
Miscellaneous Plan							
2021	\$ (2,956,082)	5.0	(591,216)	—	—	—	(591,216)
2022	3,369,373	5.0	673,875	673,877	—	—	1,347,752
2023	156,108	5.0	31,222	31,222	31,222	—	93,666
2024	(594,543)	5.0	(118,909)	(118,909)	(118,909)	(118,909)	(475,636)
Peace Officers and Firefighters Plan							
2021	(65,278)	5.0	(13,056)	—	—	—	(13,056)
2022	74,294	5.0	14,859	14,859	—	—	29,718
2023	3,012	5.0	602	602	602	—	1,806
2024	(14,198)	5.0	(2,840)	(2,840)	(2,840)	(2,840)	(11,360)
Increase (Decrease) in pension expense			<u>\$ (5,463)</u>	<u>598,811</u>	<u>(89,925)</u>	<u>(121,749)</u>	<u>381,674</u>

*Adjusted for any changes in University's proportionate share

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)				
			2025	2026	2027	2028	Total
Miscellaneous Plan							
2022	838,227	4.3	194,936	58,481	—	—	253,417
Peace Officers and Firefighters Plan							
2022	24,274	4.7	5,165	3,615	—	—	8,780
Increase in pension expense			<u>\$200,101</u>	<u>62,096</u>	<u>—</u>	<u>—</u>	<u>262,197</u>

* Adjusted for any changes in University's proportionate share

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of differences between expected and actual experience (measurement date)				
			2025	2026	2027	2028	Total
Miscellaneous Plan							
2022	141,243	4.3	9,854	—	—	—	9,854
2023	473,364	4.3	110,083	110,085	33,025	—	253,193
2024	204,766	4.3	47,620	47,620	47,620	14,286	157,146
Peace Officers and Firefighters Plan							
2022	6,491	4.90	1,192	—	—	—	1,192
2023	15,316	4.70	3,259	3,259	2,281	—	8,799
2024	2,894	4.70	616	616	616	431	2,279
Increase in pension expense			<u>\$172,624</u>	<u>161,580</u>	<u>83,542</u>	<u>14,717</u>	<u>432,463</u>

* Adjusted for any changes in University's proportionate share

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

The deferred inflows of resources will be recognized as pension expense as follows:

Measurement period ended June 30	Initial differences	Recognition period (year)	Increase (Decrease) in pension expense arising from the recognition of the effects of changes in proportionate share (measurement dates)				
			2025	2026	2027	2028	Total
Miscellaneous Plan							
2021	312,344	4.3	21,791	—	—	—	21,791
2022	(830,870)	4.3	(193,225)	(57,968)	—	—	(251,193)
2023	174,086	4.3	40,485	40,485	12,146	—	93,116
2024	(32,335)	4.3	(7,520)	(7,520)	(7,520)	(2,256)	(24,816)
Peace Officers and Firefighters Plan							
2021	5,640	4.7	1,036	—	—	—	1,036
2022	(14,172)	4.7	(3,015)	(2,111)	—	—	(5,126)
2023	9,270	4.7	1,972	1,972	1,381	—	5,325
2024	5,688	4.7	1,210	1,210	1,210	849	4,479
Increase/(Decrease) in pension expense			<u>\$ (137,266)</u>	<u>\$ (23,932)</u>	<u>\$ 7,217</u>	<u>\$ (1,407)</u>	<u>\$ (155,388)</u>

Measurement period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the effects of differences between expected and actual experience (measurement dates)				
			2025	2026	2027	2028	Total
Miscellaneous Plan							
2022	\$ 250,783	4.3	(58,322)	(17,496)	—	—	(75,818)
Peace Officers and Firefighters Plan							
2022	\$ 8,923	4.7	(1,898)	(1,329)	—	—	(3,227)
Decrease in pension expense			<u>\$ (60,220)</u>	<u>(18,825)</u>	<u>—</u>	<u>—</u>	<u>(79,045)</u>

* Adjusted for any changes in University's proportionate share

(13) Other Postemployment Benefits (OPEB)

(a) OPEB Plan Description

The State provides retiree health and dental benefits to annuitants of retirement systems through an agent multiple-employer defined benefit plan which operates as a single-employer defined benefit plan for the University. The design of health and dental benefit plans can be amended by CalPERS Board of

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Administration. To be eligible, employees must retire within 120 days of separation from employment and have met the health and dental vesting period to be eligible to receive these benefits.

(b) Benefits Provided

For healthcare benefits, CalPERS offers Preferred Provider Organizations (PPOs), Health Maintenance Organizations (HMOs), and Exclusive Provider Organizations (EPOs) (limited to members in certain California counties). For dental benefits, a Dental Maintenance Organization (DMO) and dental indemnity plans are offered to the University's retirees. Health plans offered, covered benefits, monthly rates, and co-payments are determined by the CalPERS Board of Administration, who reviews health plan contracts annually. At measurement date, the count of retired and active employees covered by the benefit terms were:

	Headcount
Retirees elected to receive healthcare benefits	34,524
Active employees	51,257
Total headcount	<u>85,781</u>

(c) Contributions

The contribution requirements of retirees and the State are established and may be amended by the State legislature. For healthcare benefits, the State makes a contribution toward the retiree's monthly health premiums, with the retirees covering the difference between the State's contribution and the actual healthcare premium amount. The State contribution is normally established through collective bargaining agreements. No retiree contribution is required for dental benefits.

For healthcare benefits, responsibility for funding the cost of the employer share of premiums is apportioned between the State and the University based on "billable" and "nonbillable" accounts. Billable accounts have special revenue sources such as fees, licenses, penalties, assessments, and interest, which offset the costs incurred by a State department during the year. The University reimburses the State for retiree's health benefit costs allocated to billable accounts but not for costs allocated to nonbillable accounts. The University is responsible for funding the costs of the billable accounts on a pay-as-you-go basis as part of the statewide general administrative costs charged to the University. The State is responsible for funding the cost of the employer share of healthcare premiums of retirees for all nonbillable accounts. Historically, the State has funded approximately 95% of the cost of the benefits.

The University is responsible for paying the cost of dental benefits for all University retirees using funds provided by the State through general fund appropriations. The University makes payments directly to Delta Dental for the retiree's monthly dental premiums. The University is paying these benefits on a pay-as-you-go basis. The State's contribution to the retirees' health benefits are recorded as State appropriations, noncapital.

In addition to the explicit University contribution provided to retirees, there is an "implicit rate subsidy" The gross premium for retired members not eligible for Medicare who are charged a premium based on the experience of both active and retired members will be receiving a subsidy because the average healthcare

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

costs of retired members is generally higher than the blended average costs of a group comprised of both active and retired members. The subsidy is referred to as the implicit rate subsidy. The implicit subsidy associated with the retiree health costs paid during the past year is also considered to be a contribution from the University.

(d) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are consistent with a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future.

Significant actuarial methods and assumptions used to calculate the University's total OPEB liability were:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal Actuarial Cost Method and the blended discount rates in accordance with the requirements of GASB Statement Nos. 74 and 75.
Actuarial assumptions	
Discount rate	3.97%
Price inflation	2.30%
Wage inflation	2.80%
Healthcare-related	Assumptions were based on healthcare census information, claims experience data and actuarial valuations for the period from July 1, 2018 to June 30, 2022. The actuarial assumptions determined by this study were first used for the actuarial valuations effective as of June 30, 2023.
Healthcare trend	
Pre-Medicare cost trend rate	Select and ultimate trend rates were set at actual increases for 2025, 7.00% in 2026 grading down to 4.50% in 2031, 4.50% from 2031 to 2039, and 4.25% on and after 2040.
Post-Medicare cost trend rate	Medicare trend rates are higher than non-Medicare trend rates because Medicare costs include a higher proportion of prescription benefits which are assumed to experience higher trend rates than medical benefits. Trend rates for post Medicare plans reflect adjustments for the Employer Group Waiver Plan ("EGWP") and the Inflation Reduction Act ("IRA")
Participation	On average, approximately 95% of all eligible retirees elect healthcare coverage.
Per capita claim costs	Costs were developed for pre-Medicare and post-Medicare coverage at each respective age and gender, using overall average costs adjusted for morbidity.
Pension-related	Assumptions were based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions and were first adopted beginning with the actuarial valuation as of June 30, 2021. Key assumptions include: salary increase rates, termination rates, disability rates, retirement rates, and mortality rates.
Mortality	Assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. The pre-retirement and postretirement mortality assumptions include generational mortality improvement and the rates are projected using 80% of scale MP-2020 published by the Society of Actuaries.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(e) Sensitivity of the University's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

One of the key assumptions influencing costs is the assumed growth or trend in healthcare costs. The healthcare trend assumption for OPEB actuarial valuations spans over the lifetime of a covered retiree, which could extend to over 30 years. This is in contrast to the short-term healthcare inflation used to develop premiums for the next fiscal year. This long-term healthcare assumption is by far the most difficult to set.

The following table presents the University's total OPEB liability as of the measurement date, calculated using the healthcare cost trend rate (7.00% decreasing to 4.50%), as well as what the total OPEB liability would be if it were calculated using the healthcare cost trend rate that are one-percentage-point lower (6.00% decreasing to 3.50%) and one-percentage-point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rate:

	<u>Trend rate -1%</u>	<u>Current trend rate</u>	<u>Trend rate +1%</u>
OPEB liability	\$ 13,142,356	15,251,655	17,925,941

(f) Discount Rate

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2024 and 2023 was 3.97% and 3.86%, respectively. The discount rates were based on Fidelity's 20-Year Municipal GO AA Index since the University has no plan assets sufficient to make benefit payments.

(g) Sensitivity of the University's Total OPEB Liability to Changes in the Discount Rate

The following table presents the University's total OPEB liability as of the measurement date, calculated using the discount rate of 3.97%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (2.97%) or one-percentage point higher (4.97%) than the current rate:

	<u>Discount rate -1%</u>	<u>Current discount rate</u>	<u>Discount rate +1%</u>
OPEB liability	\$ 17,625,016	15,251,655	13,317,471

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(h) Changes in Total OPEB Liability

The following table presents the changes in total OPEB liability of the University recognized over the measurement period:

Balance at June 30, 2023 (measurement date)	\$	13,964,336
Changes recognized for the measurement period:		
Service cost		552,300
Interest on total OPEB liability		551,428
Recognized changes of assumptions		150,854
Differences between expected and actual experience (non-investment)		499,024
Benefit payments		(466,287)
Net changes		1,287,319
Balance at June 30, 2024 (measurement date)	\$	15,251,655

(i) OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The University recognized OPEB expense of \$620,233, which was reported as benefits expense. The following table summarizes the deferred outflows and inflows of resources related to OPEB liabilities.

	Deferred outflows of resources	Deferred inflows of resources
University's contributions subsequent to the measurement date	\$ 519,101	—
Differences due to changes in assumptions	805,469	2,269,700
Differences between expected and actual experience (non-investment)	1,059,126	820,328
Total	\$ 2,383,696	3,090,028

The University's contributions subsequent to the measurement date includes \$478,458 contributed by the State on behalf of the University as authorized by Government Code Section 22871. The State's contributions are recognized as State appropriations, noncapital.

The deferred outflows of resources related to the University's contributions made subsequent to the measurement date of June 30, 2024 will be recognized as a reduction of total OPEB liability on the subsequent measurement date, and are not amortized to OPEB expense.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

The deferred outflows of resources to be recognized as OPEB expense are as follows:

Measurement period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expense from changes of assumptions (measurement dates)								
			2025	2026	2027	2028	2029	2030	2031	Total	
2019	\$751,688	7.25	\$103,631	26,271	—	—	—	—	—	—	129,902
2020	585,190	7.30	80,110	80,110	24,420	—	—	—	—	—	184,640
2021	437,934	7.31	59,934	59,934	59,934	18,396	—	—	—	—	198,198
2023	221,440	7.47	29,657	29,657	29,657	29,657	29,657	13,841	—	—	162,126
2024	150,854	7.45	20,251	20,251	20,251	20,251	20,251	20,251	9,097	—	130,603
Increase in OPEB expense			<u>\$293,583</u>	<u>216,223</u>	<u>134,262</u>	<u>68,304</u>	<u>49,908</u>	<u>34,092</u>	<u>9,097</u>	<u>—</u>	<u>805,469</u>

Measurement period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expense arising from differences between expected and actual experience (non investment) (measurement dates)								
			2025	2026	2027	2028	2029	2030	2031	Total	
2022	\$ 1,049,961	7.45	\$140,956	140,956	140,956	140,956	63,269	—	—	—	627,093
2024	\$ 499,024	7.50	\$66,991	66,991	66,991	66,991	66,991	66,991	30,087	—	432,033
Increase in OPEB expense			<u>\$207,947</u>	<u>207,947</u>	<u>207,947</u>	<u>207,947</u>	<u>130,260</u>	<u>66,991</u>	<u>30,087</u>	<u>—</u>	<u>1,059,126</u>

The deferred inflows of resources to be recognized as OPEB expense are as follows:

Measurement period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expense arising from changes in assumptions (measurement dates)								
			2025	2026	2027	2028	2029	2030	2031	Total	
2018	\$ 519,714	7.17	\$ (12,375)	—	—	—	—	—	—	—	(12,375)
2022	3,779,507	7.45	\$(507,394)	(507,394)	(507,394)	(507,394)	(507,394)	(227,749)	—	—	(2,257,325)
Decrease in OPEB expense			<u>\$(519,769)</u>	<u>\$(507,394)</u>	<u>\$(507,394)</u>	<u>\$(507,394)</u>	<u>\$(507,394)</u>	<u>(227,749)</u>	<u>—</u>	<u>—</u>	<u>(2,269,700)</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

Decrease in OPEB expense arising from differences between expected and actual experience (non investment) (measurement dates)

Measure ment period ended June 30	Initial difference	Recognitio n period (year)	2025	2026	2027	2028	2029	2030	2031	Total
2018	\$1,111,239	7.17	\$ (26,463)	—	—	—	—	—	—	(26,463)
2019	94,145	7.25	(12,979)	(3,292)	—	—	—	—	—	(16,271)
2020	471,337	7.30	(64,524)	(64,524)	(19,669)	—	—	—	—	(148,717)
2021	1,066,155	7.31	(145,910)	(145,910)	(145,910)	(44,785)	—	—	—	(482,515)
2023	199,908	7.47	(26,773)	(26,773)	(26,773)	(26,773)	(26,773)	(12,497)	—	(146,362)
Decrease in OPEB expense			<u>\$(276,649)</u>	<u>(240,499)</u>	<u>(192,352)</u>	<u>(71,558)</u>	<u>(26,773)</u>	<u>(12,497)</u>	<u>—</u>	<u>(820,328)</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(14) Deferred Outflows and Inflows of Resources

The composition of deferred outflows and inflows of resources at June 30, 2025 is summarized as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Related to:		
Net pension liability (note 12)	\$ 2,146,970	241,063
Other postemployment benefits liability (note 13)	2,383,696	3,090,028
Unamortized loss on SRB debt refunding	73,964	—
Leases	—	183,433
Unamortized gain on SRB debt refunding	—	2,495
Nonexchange transactions	—	732
Total	<u>\$ 4,604,630</u>	<u>3,517,751</u>

(15) Availability Payment Arrangements

The University executed an agreement in February 2021 for the design, build, finance, and maintenance of the central utility plant at California State University, Fresno to provide reliable heating and cooling to all buildings. The University is responsible for the day-to-day operations of the plant. The payments consist of performance-based availability payments to be made during the 30-year maintenance period that total approximately \$10.5 million per year. The agreement allows for the University to make future milestone payments, which would reduce the overall term of the agreement. General use of the plant began in October 2024 after several delays.

(16) Claims Liability for Losses and Loss Adjustment Expenses

The University and certain auxiliary organizations have established the CSURMA, a discretely presented component unit of the University, to centrally manage workers' compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, and other risk-related programs. The claims liability included in the discretely presented component unit column reflects the estimated ultimate cost of settling claims related to events that have occurred on or before June 30, 2025. The liability includes estimated amounts that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not yet been reported. The liability is also reduced by estimated amounts recoverable from the reinsurer that are related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. Although considerable variability is inherent in such estimates, management believes that the liability is a reasonable estimate at June 30, 2025.

The information of the change in claims liability for losses and loss adjustment expenses may be obtained from the separate financial statements issued for CSURMA.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(17) Commitments and Contingencies

The University is a defendant in multiple lawsuits involving matters not covered by the CSURMA as discussed in [note 16](#). Management of the University is of the opinion that the liabilities, if any, arising from litigation will not have a material effect on the financial position of the University.

Federal grant programs are subject to review by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenditures. Management believes that it has adhered to the terms of its grants and that any disallowed expenditures resulting from such reviews would not have a material effect on the financial position of the University.

Authorized but unexpended costs for construction projects as of June 30, 2025 totaled \$1,042,998. These expenditures will be funded primarily by state appropriations and bond proceeds.

In order to secure access to electricity used for normal operation, the University participates in forward purchase contracts of electricity operated by Shell Energy North America. The University's obligations under these special purchase arrangements require it to purchase an estimated total of \$16,629 of electricity at fixed prices through June 2026. The University estimates that the special purchase contract in place represent approximately 10.69% of its total annual electricity expenses.

(18) Classification of Operating Expenses

The University has elected to report operating expenses by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position, and to provide the natural classification of those expenses as an additional disclosure. Operating expenses by natural classification consisted of the following for the year ended June 30, 2025:

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 2,450,209	1,247,034	—	200,058	—	3,897,301
Research	51,156	17,092	—	33,235	—	101,483
Public service	36,177	16,348	—	29,984	—	82,509
Academic support	539,972	354,852	—	191,968	—	1,086,792
Student services	633,600	455,537	—	565,272	—	1,654,409
Institutional support	599,446	434,860	—	308,014	—	1,342,320
Operation and maintenance of plant	320,077	242,343	—	505,790	—	1,068,210
Student grants and scholarships	—	—	1,744,558	—	—	1,744,558
Auxiliary enterprise expenses	131,497	123,969	—	607,363	—	862,829
Depreciation and amortization	—	—	—	—	795,479	795,479
Total operating expenses	\$ 4,762,134	2,892,035	1,744,558	2,441,684	795,479	12,635,890

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

(19) Transactions with Related Entities

The University is a State entity and receives approximately 41.41% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$5,504,164 for the year ended June 30, 2025.

State appropriations allocated to the University for the year ended June 30, 2025 are as follows:

State appropriations, general fund	\$	5,032,032
State's contribution on behalf of the University for OPEB		471,297
State appropriation, noncapital		5,503,329
State appropriations, capital		835
Total state appropriations	\$	5,504,164

During the fiscal year, California State University Institute (CSUI), a discretely presented component unit of the University, was legally dissolved. The dissolution was effected through the liquidation of assets and settlement of liabilities and a transfer of the Institute's remaining cash related to the commercial paper program to the University on June 26, 2025. Due to dissolution, CSUI is no longer involved in the University's Commercial Paper program and has been removed from the list of the University's discretely presented component units for the year ended June 30, 2025 in Note 2.

Also occurring during the fiscal year, the University assumed responsibility for the administration of the Owner Controlled Insurance Program (OCIP) from California State University Risk Management Authority (CSURMA), a discretely presented component unit of the University. Accordingly, the remaining balance of the program was transferred and the related transactions were reported in current year operations.

(20) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2025, but prior to the date of the auditors' report.

- *SRB Issuance*

In August 2025, the University issued \$1,623.18 million of SRB Series 2025A (Tax Exempt) and \$113.94 million of SRB Series 2025B (Taxable) bonds. The new bonds were issued to fund various capital projects and redeem maturing Commercial Paper.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2025

(In thousands)

- *Commercial Paper Issuance and Redemption*

The University issued Commercial Paper for the following capital projects:

San Diego State University Life Sciences Building Project	\$	43
Cal Poly Pomona Foundation, Inc. The Current Student Housing Acquisition Project		206
SLO John Madden Football Center Project	\$	211
San José State University – Spartan Village on the Paseo Project	\$	159,110
Total Commercial Paper issuance	\$	<u>159,570</u>

The University redeemed Commercial Paper for the following capital projects:

San Diego State Multi-Use Stadium at Mission Valley	\$	70,500
San Diego State University Life Sciences Building Project	\$	20,549
SLO Cal Poly Corporation Harvest Lofts	\$	44,365
Cal Poly Pomona Foundation, Inc. The Current Student Housing Acquisition Project	\$	121,606
Total Commercial Paper redemption	\$	<u>257,020</u>

- *Short term Loan*

In October 2025, the University requested a \$143.8 million short-term, no interest loan from the State to address the impact of the base funding deferral in the 2025 Budget Act. The University will repay the loan on July 1, 2026. As of the issuance date, this loan has been approved.

REQUIRED SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY
 Schedule of University's Proportionate Share of the Net Pension Liability and Related Ratios
 Required Supplementary Information (Unaudited)
 June 30, 2025
 (In thousands)

Last Ten Fiscal Years¹

Measurement Period	2024 ²	2023 ²	2022 ²	2021 ²	2020 ²	2019 ²	2018 ²	2017 ²	2016 ²	2015 ²
State of California Miscellaneous Plan										
University's proportion of the net pension liability	22.47880	22.58470	22.00970	24.75083	23.79119	23.85065	24.09757	23.87558	22.87662	22.84970
University's proportionate share of the net pension liability	7,796,565	8,678,414	8,321,003	5,516,848	8,270,213	8,022,235	7,570,178	8,723,068	7,575,326	6,453,200
University's proportionate share of covered payroll	3,568,488	3,380,240	3,103,947	3,441,594	3,152,983	3,002,439	2,900,140	2,780,552	2,567,251	2,407,821
University's proportionate share of the net pension liability as percentage of covered payroll	218.48363	256.73956	268.07811	160.29919	262.29809	267.19061	261.02796	313.71711	295.07539	268.00996
Plan fiduciary net position as percentage of total pension liability	76.03544	72.45593	71.62525	82.39493	71.51054	71.34328	71.82994	66.41644	66.81100	70.68274
State of California Peace Officers and Firefighters Plan										
University's proportion of the net pension liability	1.10836 %	0.99039	1.10385	1.05879	1.14289	1.17223	1.15890	1.15882	1.07094	1.00623
University's proportionate share of the net pension liability	\$163,317	163,852	101,834	149,099	168,535	163,074	176,894	158,600	124,994	102,216
University's proportionate share of covered payroll	\$46,269	37,769	43,493	39,417	41,367	41,153	38,632	37,528	33,341	30,160
University's proportionate share of the net pension liability as percentage of covered payroll	352.97375 %	433.82178	234.14147	378.26477	407.41440	396.26687	457.89066	422.61507	374.89140	338.91247
Plan fiduciary net position as percentage of total pension liability	77.50834 %	71.99753	83.34760	73.18576	70.56276	70.53476	65.89199	66.09678	69.61241	72.18915

¹ The University implemented GASB Statement No. 68 effective July 1, 2014, therefore, no information is available for the measurement periods prior to June 30, 2014.

² The date in the column heading represents the end of the measurement period of the net pension liability, which is one year prior to the reporting period.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Pension
 Required Supplementary Information (Unaudited)
 Year ended June 30, 2025
 (In thousands)

Last Ten Fiscal Years¹

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State of California Miscellaneous Plan										
Actuarially determined contribution	\$1,248,432	1,158,216	1,074,129	943,908	1,014,772	1,000,772	902,330	836,450	737,766	641,710
Contributions in relation to the actuarially determined contributions	\$(1,369,754)	(1,184,606)	(1,110,522)	(950,453)	(936,487)	(992,004)	(909,834)	(839,367)	(740,571)	(644,679)
Contribution deficiency (excess)	<u>\$(121,322)</u>	<u>(26,390)</u>	<u>(36,393)</u>	<u>(6,545)</u>	<u>78,285</u>	<u>8,768</u>	<u>(7,504)</u>	<u>(2,917)</u>	<u>(2,805)</u>	<u>(2,969)</u>
University's covered payroll	3,977,166	3,751,916	3,497,651	3,241,442	3,195,126	3,230,694	3,079,834	2,953,043	2,768,770	2,559,878
Contributions as a percentage of covered payroll	34.44045%	31.57336	31.75051	29.32192	29.30986	30.70560	29.54166	28.42380	26.74729	25.18397
State of California Peace Officers and Firefighters Plan										
Actuarially determined contribution	\$24,458	22,289	20,824	12,465	19,601	19,512	18,374	17,762	15,858	14,027
Contributions in relation to the actuarially determined contributions	\$(15,686)	(23,950)	(22,012)	(13,270)	(14,448)	(19,514)	(19,153)	(18,442)	(16,600)	(14,647)
Contribution deficiency (excess)	<u>\$8,772</u>	<u>(1,661)</u>	<u>(1,188)</u>	<u>(805)</u>	<u>5,153</u>	<u>(2)</u>	<u>(779)</u>	<u>(680)</u>	<u>(742)</u>	<u>(620)</u>
University's covered payroll	50,858	48,181	44,108	39,966	40,060	41,342	42,022	41,696	39,372	37,568
Contributions as a percentage of covered payroll	30.84274%	49.70839	49.90478	33.20322	36.06590	47.20139	45.57851	44.22966	42.16194	38.98797

¹The University implemented GASB Statement No. 68 effective July 1, 2014, therefore, no information is available for the measurement periods prior to June 30, 2014.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Pension
 Required Supplementary Information (Unaudited)
 Year ended June 30, 2025

Notes to required supplementary information schedule for the most recent fiscal year presented:

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.
Methods and assumption used to determine contribution rates	
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2022 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2022 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.8% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Significant factors affecting contribution rates	Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Schedule of University's Total Other Postemployment Benefits Liability and Related Ratios

Required Supplementary Information (Unaudited)

June 30, 2025

(In thousands)

Last Ten Fiscal Years¹

	2024 ²	2023 ²	2022 ²	2021 ²	2020 ²	2019 ²	2018 ²	2017 ²
University's total other postemployment benefits liability at beginning of the year	\$ 13,964,336	13,342,974	15,434,384	15,323,276	14,498,545	13,128,996	13,918,525	14,683,420
Changes recognized for the measurement period								
Service cost	552,300	533,911	763,258	768,498	643,745	603,049	680,934	795,696
Interest on total other postemployment benefits liability	551,428	504,047	306,867	389,155	467,733	490,260	513,512	436,431
Recognized changes of assumptions	150,854	221,440	(3,779,507)	437,934	585,190	751,688	(519,714)	(1,663,194)
Recognized differences between Expected and Actual Experience (Non-Investment)	499,024	(199,908)	1,049,961	(1,066,155)	(471,337)	(94,145)	(1,111,239)	—
Employer contributions	(466,287)	(438,128)	(431,989)	(418,324)	(400,600)	(381,303)	(353,022)	(333,828)
Net changes	\$ 1,287,319	621,362	(2,091,410)	111,108	824,731	1,369,549	(789,529)	(764,895)
University's total other postemployment benefits liability at end of the year	\$ 15,251,655	13,964,336	13,342,974	15,434,384	15,323,276	14,498,545	13,128,996	13,918,525
University's covered payroll	4,028,024	3,800,097	3,541,759	3,235,186	3,235,186	3,272,036	3,121,856	2,994,739
University's total other postemployment benefits liability as a percentage of covered payroll	378.63863 %	367.47315	376.73297	477.07872	473.64436	443.10469	420.55098	464.76588

¹The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

²The date in the column heading represents the end of the measurement period of the total OPEB liability, which is one year prior to the reporting period.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Other Postemployment Benefits
 Required Supplementary Information (Unaudited)
 Year ended June 30, 2025

(In thousands)

Last Ten Fiscal
 Years¹

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$1,057,664	934,843	858,253	744,383	771,153	786,426	743,648	754,550
Contributions in relation to the actuarially determined contributions	(519,101)	(473,448)	(461,842)	(400,463)	(390,008)	(404,389)	(362,260)	(349,487)
Contribution deficiency	<u>\$538,563</u>	<u>461,395</u>	<u>396,411</u>	<u>343,920</u>	<u>381,145</u>	<u>382,037</u>	<u>381,388</u>	<u>405,063</u>
University's covered payroll	\$4,028,024	3,800,097	3,541,759	3,281,408	3,235,186	3,272,036	3,121,856	2,994,739
Contributions as a percentage of covered payroll	12.88724%	12.45884	13.03990	12.20400	12.05520	12.35894	11.60399	11.67003

¹The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Other Postemployment Benefits
 Required Supplementary Information (Unaudited)
 Year ended June 30, 2025

Notes to required supplementary information schedule for the most recent fiscal year presented

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.
Methods and assumption used to determine actuarially determined contributions	
Actuarial cost method	Actuarial valuation results used for accounting purposes, such as the Total OPEB Liability and Service Cost, were developed using the Entry Age Normal Actuarial Cost Method and the blended discount rates as required by GASB Statements No. 74 and 75. The Normal Cost and Actuarial Accrued Liability for the purpose of calculating the Actuarially Determined Contribution were developed using the Entry Age Normal Actuarial Cost Method and a full-funding discount rate of 6.00 percent.
Inflation	2.30%
Payroll growth	2.80%
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019.
Mortality	Assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. The pre-retirement and postretirement mortality assumptions include generational mortality improvement and the rates are projected using 80% of scale MP-2020 published by the Society of Actuaries.

¹The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY
Systemwide Revenue Bond Program's Net Income Available for Debt Service
Year ended June 30, 2025
(In thousands)

Gross revenues	
Tuition fees	\$ 3,675,195
Student housing	867,646
Student unions/recreation centers	331,894
Parking	140,077
Health centers	14,785
Professional and continuing education	426,869
Auxiliary organizations ¹	783,088
Other related entity ²	6,185
Total gross revenues	6,245,739
Maintenance and operation expenses ³	
Academic facilities	743,286
Student housing	699,223
Student unions/recreation centers	179,759
Parking	90,018
Health centers	5,682
Professional and continuing education	390,193
Auxiliary organizations ¹	633,548
Total maintenance and operation expenses	2,741,709
Net income available for debt service	\$ 3,504,030
Debt service	
Systemwide revenue bonds debt	593,449
Designated auxiliary organizations debt	2,004
Total debt service	\$ 595,453

The purpose of this schedule is to meet bond reporting covenants covering the operations of the projects showing the gross revenues and expenses for the fiscal year.

¹This includes gross revenues and maintenance and operations expenses of 17 auxiliary organizations that have financed with SRB through lease or loan arrangements. This excludes research grants and contracts activity and restricted gifts. Gross revenues under the SRB Indenture are a smaller amount derived from payments under certain leases or with the Board of Trustees.

²This includes gross revenues derived from leases with California State University, Channel Islands Site Authority which are used solely to pay debt service. The maintenance and operations expense are excluded as these are not paid by the pledged gross revenues.

³Maintenance and operation expenses for the year ended June 30, 2025 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$350 million, other postemployment benefits expense of \$52.7 million pursuant to GASB Statement No. 75, and pension expense of \$43.7 million pursuant to GASB Statement No. 68.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus¹

Year ended June 30, 2025

	Operating and other revenues	Operating expenditures	Excess of revenues over expenditures	Design capacity	Operational capacity ²	Average number of spaces occupied	% of spaces occupied ³
	(In thousands)						
California State University, Bakersfield	\$ 5,739	4,077	1,662	512	475	400	84.21%
California State University Channel Islands	15,773	10,265	5,508	1,529	1,528	1,045	68.39%
California State University, Chico	22,550	20,219	2,330	2,338	1,778	1,720	96.74%
California State University, Dominguez Hills	10,382	5,531	4,850	1,174	1,091	883	80.93%
California State University, East Bay	15,667	8,374	7,293	1,314	1,340	776	57.91%
California State University, Fullerton	41,558	23,113	18,445	2,279	2,205	2,111	95.74%
California State Polytechnic University, Humboldt	28,791	20,665	8,126	2,082	2,082	1,758	84.44%
California State University, Long Beach	48,259	37,563	10,696	2,892	3,206	3,114	97.13%
California State University, Los Angeles	26,528	16,802	9,726	2,576	2,487	1,832	73.66%
California State University Maritime Academy	9,345	5,760	3,585	849	807	666	82.53%
California State University, Northridge	31,172	23,470	7,701	3,872	3,518	3,434	97.61%
California State Polytechnic University, Pomona	48,173	31,241	16,932	4,175	4,108	4,057	98.76%
California State University, Sacramento	32,561	23,436	9,125	2,088	2,184	2,139	97.94%
California State University, San Bernardino	14,143	8,021	6,123	1,907	1,457	1,308	89.77%
San Diego State University	152,066	123,006	29,060	6,698	8,022	7,653	95.40%
San Francisco State University ⁵	76,080	92,619	(16,539)	4,632	3,742	3,356	89.68%
San José State University	82,117	63,906	18,210	4,680	5,005	4,704	93.99%
California Polytechnic State University, San Luis Obispo	146,674	96,800	49,874	7,738	8,795	8,517	96.84%
Sonoma State University ⁶	34,216	19,881	14,336	3,042	3,042	1,969	64.73%
California State University, Stanislaus	6,850	6,991	(141)	656	720	556	77.22%
	<u>848,644</u>	<u>641,740</u>	<u>206,902</u>	<u>57,033</u>	<u>57,592</u>	<u>51,998</u>	<u>90.29%</u>
California State University, Office of the Chancellor (Systemwide Office)	—	—	—				
Interest income	—	—	—				
Total	<u>\$ 848,644</u>	<u>641,740</u>	<u>206,902</u>				

For superscripts, please refer to legend at end of schedule.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program’s Residence and Dining Halls Operating Data by Campus¹
Year ended June 30, 2025

	Average annual rates per academic year ⁴								
	Residence Halls			Apartments			Suites		
	Single	Double	Triple	Single	Double	Triple	Single	Double	Triple
California State University, Bakersfield	\$ —	—	—	—	—	—	13,100	9,360	7,800
California State University Channel Islands	10,820	9,740	—	12,670	11,450	—	11,660	11,060	—
California State University, Chico	10,536	8,696	7,336	10,536	8,696	—	—	—	—
California State University, Dominguez Hills	11,418	10,474	9,602	13,382	10,474	—	—	—	—
California State University, East Bay	—	—	—	13,620	11,827	9,273	—	11,369	8,900
California State University, Fullerton	—	14,124	12,524	15,042	—	—	—	15,534	—
California State Polytechnic University, Humboldt	9,060	7,322	5,444	9,060	7,322	5,444	—	—	—
California State University, Long Beach	10,760	9,760	8,160	14,420	—	—	—	11,160	—
California State University, Los Angeles	13,995	10,810	8,702	15,214	11,751	9,462	13,253	—	—
California State University Maritime Academy	10,884	7,256	—	—	—	—	—	—	—
California State University, Northridge	—	8,001	—	14,803	8,307	—	—	—	—
California State Polytechnic University, Pomona	11,988	10,461	9,552	—	9,900	8,010	13,824	11,406	—
California State University, Sacramento	9,338	8,658	5,870	11,002	9,626	—	10,308	9,286	—
California State University, San Bernardino	10,372	8,186	—	10,338	—	—	—	—	—
San Diego State University	17,568	15,280	13,264	14,328	11,944	10,384	13,856	11,552	10,148
San Francisco State University ⁵	—	11,300	12,510	16,200	13,950	12,510	—	—	—
San José State University	12,347	10,836	9,086	15,862	13,289	12,149	20,559	13,708	11,982
California Polytechnic State University, San Luis Obispo	—	11,589	10,800	15,126	13,497	—	—	—	—
Sonoma State University ⁶	—	—	—	14,760	11,136	7,560	12,328	9,040	6,598
California State University, Stanislaus	8,539	—	5,206	9,095	7,539	—	—	—	—
Average annual rates	\$ 11,356	10,156	9,081	13,262	10,714	9,349	13,611	11,348	9,086

¹Does not include housing facilities at the Fresno, Monterey Bay and San Marcos campuses that are operated by Auxiliary Organizations.

²Includes a small number of faculty/staff beds that may be non-revenue generating.

³This column reflects capacity adjusted for increase or decrease in permanent conversions and temporary adjustments.

⁴Percent (%) of spaces occupied is based on Operational Capacity for students, including Resident Assistants. The percentages represent the average academic year occupancy.

⁵This section primarily reflects an average of the more traditional rates to students. Each campus has different rates depending on accommodations, such as super doubles, cluster occupancy, etc.

⁶The operational capacity does not include 326 apartment units, of which 297 units were occupied by faculty and staff. The monthly rates for the one-bedroom, two-bedroom or three-bedroom units (not bed-spaces) vary between \$2,250 and \$4,325.

See accompanying independent auditors’ report.

CALIFORNIA STATE UNIVERSITY
Systemwide Revenue Bond Program's Statement of Insurance Coverage
Year ended June 30, 2025
(In thousands)

Expiration date ¹	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
Property Insurance				
July 1, 2025	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	Multiple
July 1, 2025	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	Multiple
General Liability Insurance				
July 1, 2025	Bodily Injury & Property Damage Liability (Primary)	10,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-2425
July 1, 2025	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 10,000	Everest Re	FC10044208-2024
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 15,000	Allied World National Assurance Company	0312-4050
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 25,000	Liberty Surplus Insurance Corporation	1000479134-04
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 30,000	Arcadian Risk Capital Limited & Group Ark Insurance Limited	B0180PN2405698 YLZ24BA01685
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 35,000	Gemini Insurance Company	CEX09600368-11
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	15,000 xs 45,000	Multiple	Multiple
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	17,000 xs 60,000	Multiple	Multiple
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 77,000	Starstone Specialty Insurance Company	CSX00037184P-01
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	3,000 xs 82,000	Helix Risk Partners, Ltd. On behalf of Somers Re Ltd.	CASFO000067IS2024
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	35,000 xs 85,000	Multiple	Multiple
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 120,000	Hiscox Syndicates	
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	27,500 xs 130,000	Canopus Managing Agents Limited	B0180PN2406854
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	24,500 xs 157,500	Multiple	Multiple
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	24,500 xs 157,500	Ascot Bermuda Limited	RA24SL673C4X
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	57,500 xs 182,000	XL Insurance (Bermuda) Ltd	BM00040408LI24A
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 239,500	Multiple	Multiple
July 1, 2025	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 239,500	Ingo	B0180PN2406856
Workers' Compensation and Employer's Liability Insurance				
July 1, 2025	Workers' Compensation and Employer's Liability	5,000	PRISM w/ State National Insurance Company Inc., Great American Insurance Company, and Safety National Casualty Corporation	PRISM-PE 24 EWC-143

¹Additional insurance policies are maintained for the period from July 1, 2025 through July 1, 2026. These policies provide the same coverage indicated above.

See accompanying independent auditors' report.



CSU The California State University

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions contained in the Indenture and is not to be considered as a full statement thereof. Reference is made to the Indenture for full details of the terms of the Systemwide Revenue Bonds, the application of Gross Revenues and the security provisions.

CERTAIN DEFINED TERMS

The terms defined below are among those used in the Indenture. The definitions set forth below are intended to generally restate the corresponding definitions in the Indenture unless the context hereof requires otherwise. Because of these contextual variations, the definitions set forth below are not necessarily either definitive or comprehensive for purposes of interpreting the Indenture and are therefore qualified in their entirety by reference to the Indenture for such purposes.

“Act” means The State University Revenue Bond Act of 1947, codified at California Education Code Sections 90010 and following, as in force on the date of the initial execution and delivery of the Indenture and as it may thereafter be amended from time to time.

“Additional Bonds” means Bonds issued pursuant to a Supplemental Indenture.

“Aggregate Debt Service” means, as of any date of calculation and with respect to any period, the sum of amounts of Debt Service for the Indebtedness specified in the Indenture for such period.

“Applicable SIFMA-Based Interest Rate” means for purposes of the Series 2026B Bonds and the Forty-Fourth Supplemental Indenture, the per annum rate of interest, determined weekly, equal to the sum of (a) the SIFMA Index Rate then in effect and (b) the Applicable SIFMA Spread for the related SIFMA Rate Period. In no event will any Applicable SIFMA-Based Interest Rate exceed the Maximum Interest Rate.

“Applicable SIFMA Spread” means, for purposes of the Series 2026B Bonds and the Forty-Fourth Supplemental Indenture, the lowest fixed spread to the SIFMA Index on the date of determination thereof that would enable the Remarketing Agent to sell the applicable Series 2026B Bonds on such date at a price equal to the principal amount thereof as determined by the Remarketing Agent as provided in the Indenture. The Applicable SIFMA Spread for the Series 2026B Bonds or a subseries thereof will remain the same throughout the applicable SIFMA Rate Period for such Series 2026B Bonds.

“Balloon Indebtedness” means Indebtedness or Designated Auxiliary Debt having an original maturity greater than one year or renewable at the option of the Board for a period of greater than one year from the date of original incurrence or issuance thereof, 25% or more of the original principal of which becomes due (either by maturity or mandatory redemption) or may be tendered for purchase or payment at the option of the holder during any period of 12 consecutive months, which portion of the principal is not required by the documents governing such Indebtedness or Designated Auxiliary Debt to be amortized below 25% by mandatory redemption prior to such date.

“Board” means the Trustees of the California State University, an agency of the State of California, its successors and assigns organized and existing under and by virtue of the laws of the State of California.

“Bond Payment Date” means each Interest Payment Date and Principal Payment Date.

“Bonds” means any or all of the Trustees of the California State University Systemwide Revenue Bonds authorized under and secured by the Indenture.

“Business Day” means any day of the year other than (i) a Saturday or Sunday, (ii) a State legal holiday, or (iii) any day on which Banks located in Sacramento, California, or the city in which any co-trustee or the relevant office of any paying agent or registrar is located, are required or authorized by law to remain closed, or, with respect to any Series of Bonds, as may be provided by Supplemental Indenture.

“Calculation Agent” means such entity as may be selected by the Board to perform the functions of the Calculation Agent under the Forty-Fourth Supplemental Indenture, which may be the Tender Agent.

“Credit Agreement” means each agreement between the Board and one or more Credit Providers entered into pursuant to the Indenture, any letter of credit issued pursuant to such an agreement and any amendment of or extension to such an agreement.

“Credit Provider” means each bank, syndicate of banks or other financial institution appointed by the Board including pursuant to the Forty-Fourth Supplemental Indenture, and their permitted successors and assigns.

“Code” means the Internal Revenue Code of 1986, as amended.

“Certificate,” “Request,” “Requisition,” “Statement” and “Written Order” mean, respectively, a written certificate, request, requisition, statement or order signed, in the case of the Board, in the name of the Board by an authorized representative of the Board, which may be combined in a single instrument with any other instrument, opinion or representation, and if to the extent required by the Indenture, shall also include the statements provided for in the Indenture.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed and delivered by the Board on the date of issuance and delivery of the Series 2026 Bonds as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Daily Rate” means, for purposes of the Series 2026B Bonds, a variable interest rate on any Series 2026B Bond established in accordance with the Forty-Fourth Supplemental Indenture.

“Debt Enhancement Agreement” means any loan agreement, revolving credit agreement, insurance contract, commitment to purchase, purchase or sale agreement, or commitments or other contracts or agreements, including, without limitation, interest rate agreements, including interest rate swap agreements, entered into by the Board in connection with the issuance, payment, sale, resale or exchange of any Indebtedness or Designated Auxiliary Debt to enhance the security for or provide for the payment, prepayment or remarketing of such Indebtedness or Designated Auxiliary Debt and the interest thereon or to reduce or manage the interest thereon.

“Debt Service” means, when used with respect to any Indebtedness or Designated Auxiliary Debt, as of any date of calculation and with respect to any period, the sum of (1) the interest falling due on such Indebtedness or Designated Auxiliary Debt during such period (except to the extent that such interest is payable from the proceeds of such Indebtedness or Designated Auxiliary Debt or other moneys specifically set aside for such purpose), and (2) the principal (or mandatory sinking fund or installment purchase price or lease rental or similar) payments or deposits required with respect to such Indebtedness or Designated Auxiliary Debt during such period (except to the extent that such principal is payable from the proceeds of such Indebtedness or Designated Auxiliary Debt or other moneys specifically set aside for such purpose); computed on the assumption that no portion of such Indebtedness or Designated Auxiliary Debt shall cease to be outstanding during such period except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation if any of the Indebtedness or Designated Auxiliary Debt is Balloon Indebtedness, the computation of Debt Service shall, at the option of the Board, assume that such Balloon Indebtedness is to be amortized over thirty (30) years beginning on the date of maturity of such Balloon Indebtedness or such earlier date as may be specified by the Board, assuming level debt service and the rate of interest on such Balloon Indebtedness; and provided further that if interest on Indebtedness or Designated Auxiliary Debt is payable pursuant to a variable interest rate formula, the interest rate on such Indebtedness or Designated Auxiliary Debt for periods when the actual interest rate cannot be yet determined shall be assumed to be equal to the greater of (a) the current interest rate calculated pursuant to the provisions of such agreement or, (b) if available, the daily average interest rate on such Indebtedness or Designated Auxiliary Debt during the preceding 36 months preceding the date of calculation or, (c) if such Indebtedness or Designated Auxiliary Debt has not been Outstanding for such 36-month period, such daily average interest rate on comparable debt of a state or political subdivision of a state which debt is then rated by a nationally recognized bond rating agency with a rating similar to the rating on such Indebtedness or Designated Auxiliary Debt; and provided further that if any such Indebtedness or Designated Auxiliary Debt is bearing interest at other than a fixed rate and the payments received and made by the Board under a Debt Enhancement Agreement with respect to such Indebtedness or Designated Auxiliary Debt is

expected to produce a fixed rate to be paid by the Board, then such Indebtedness or Designated Auxiliary Debt shall be treated as bearing interest at such fixed rate.

“Defeasance Securities” means (i) moneys or noncallable securities of the category specified in clauses (1) or (2) of the definition of the term Investment Securities, or (ii) any other securities, provided that a Rating Agency has rated the defeased Bonds “AAA” or equivalent, without regard to any insurance policy or other credit enhancement securing payment of such defeased Bonds, or (iii) any other securities, with the written consent of the Credit Facility Provider.

“Designated Auxiliary Debt” means any bond, note, lease, installment purchase agreement or other obligation of a Designated Auxiliary Organization which is secured by a pledge of or lien upon Designated Auxiliary Revenues and which is designated in a Certificate of the Board filed with the Trustee; provided that such debt does not constitute Indebtedness under the Indenture.

“Designated Auxiliary Organization” means any duly qualified and recognized auxiliary organization of the Board designated in a Certificate of the Board filed with the Trustee.

“Designated Auxiliary Revenues” means any revenues, income, receipts, or other moneys of a Designated Auxiliary Organization which have been pledged to, or are subject to a lien securing the repayment of, Designated Auxiliary Debt and which are designated in a Certificate of the Board filed with the Trustee; provided that such revenues do not constitute Gross Revenues under the Indenture.

“Escrow Fund” means, collectively, whether one or more, each of the escrow funds into which proceeds of the Series 2026 Bonds are deposited in order to provide for the defeasance and refunding of the Prior Bonds.

“Excluded Facilities” means any facilities which may be designated from time to time by the Board as Excluded Facilities in a Certificate of the Board which is filed with the Trustee.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year of the Board.

“Flexible Rate” means, with respect to any Series 2026B Bond, the rate of interest borne by such bond and established in accordance with the Forty-Fourth Supplemental Indenture.

“Forty-Third Supplemental Indenture” means the Forty-Third Supplemental Indenture, dated as of July 1, 2026, by and between the Board and the Trustee, in respect of the Series 2026A Bonds.

“Forty-Fourth Supplemental Indenture” means the Forty-Fourth Supplemental Indenture, dated as of July 1, 2026, by and between the Board and the Trustee, in respect of the Series 2026B Bonds.

“Gross Revenues” means (i) all income, including interest income on Gross Revenues, rentals, fees, rates, charges, insurance proceeds, condemnation proceeds and other moneys derived from the ownership or operation of the Projects, but excluding any refundable deposits, fines or forfeitures or operating revenues from student unions or student centers that are not mandatory student center fees, and (ii) any other revenues, receipts, income or other moneys from time to time designated by the Board for the payment of principal of and interest on the Bonds, in each case subject to the provisions of the Security Documents governing any Indebtedness secured by a Senior Lien.

“Gross Revenue Fund” means the fund by that name established pursuant to the Indenture, and which shall be comprised of such funds and accounts at the Gross Revenue Fund Depositories as the Board shall designate from time to time as the funds and accounts comprising the Gross Revenue Fund, all as set forth in a Certificate of the Board filed with the Trustee.

“Gross Revenue Fund Depositories” means such banking, governmental, financial or other institutions (which may include the Trustee) as the Board shall designate from time to time as the depositories of the funds and accounts comprising the Gross Revenue Fund, all as set forth in a Certificate of the Board filed with the Trustee.

“Indebtedness” means any indebtedness or obligation of the Board which is: (1) secured by a pledge of or other encumbrance on Gross Revenues; and (2) is either (a) classified as a liability on a balance sheet in accordance with generally accepted accounting principles for colleges and universities; or (b) is a Debt Enhancement Agreement.

“Initial Rate Period” means the respective Initial Rate Period for the Series 2026B Bonds set forth herein and in the Forty-Fourth Supplemental Indenture.

“Interest Payment Date” means, with respect to the Series 2026 Bonds, each May 1 and November 1, commencing November 1, 2026, until the principal and interest on all Series 2026 Bonds has been paid or payment has been duly provided for such amounts, and such other interest payment date or dates as may be specified in a Supplemental Indenture for a Series of Bonds. The Series 2026 Bonds shall bear interest at the rates per annum shown in the Official Statement based on a 360-day year consisting of twelve 30-day months.

“Interest Rate Period” means, for purposes of the Series 2026B Bonds, the Daily Rate Period, the Weekly Rate Period, the SIFMA Rate Period, any SIFMA Delayed Remarketing Period, the Flexible Rate Period, the Term Rate Period or any Term Rate Delayed Remarketing Period.

“Investment Securities” means any of the following which at the time are legal investments under the laws of the State of California for moneys held under the Indenture and then proposed to be invested therein: (i) bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest; (ii) bonds or interest-bearing notes or obligations that are guaranteed as to principal and interest by a federal agency of the United States; (iii) bonds of the State of California or bonds for which the faith and credit of the State of California are pledged for the payment of principal and interest; (iv) bonds or warrants, including but not limited to revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the State of California, municipal utility district or school district of the State of California; (v) bonds, consolidated bonds, collateral trust debentures, consolidated debentures or other obligations issued by general land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, stock, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act, as amended, and the bonds of any federal home loan bank established under said act, obligations of the Federal Home Loan Mortgage Corporation, and bonds, notes and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended; (vi) commercial paper rated within the top rating designation by a nationally recognized rating agency and issued by corporations (1) organized and operating within the United States, (2) having total assets in excess of \$500,000,000 and (3) approved by the Pooled Money Investment Board, provided, however that eligible commercial paper may not exceed 180 days’ maturity, represent more than ten percent (10%) of the outstanding paper of an issuing corporation nor exceed thirty percent (30%) of the resources of an investment program, and that at the request of the Pooled Money Investment Board, such investment shall be secured by the issuer by depositing with the State Treasurer securities authorized by Section 53651 of the California Government Code of a market value of at least ten percent (10%) in excess of the amount of the State’s investment; (vii) bills of exchange or time drafts drawn on and accepted by a commercial bank the general obligations of which are rated within the top two rating categories by a nationally recognized rating agency, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System; (viii) negotiable certificates of deposit issued by a nationally or state-chartered bank or savings and loan association or by a state-licensed branch of a foreign bank which, to the extent they are not insured by federal deposit insurance are issued by an institution the general obligations of which are rated in one of the top two rating categories by a nationally recognized rating agency; (ix) bonds, debentures and notes issued by corporations organized and operating within the United States which securities are rated in one of the top two rating categories by a nationally recognized rating agency; (x) interest-bearing accounts in state or national banks or in state or federal savings and loan associations having principal offices in the State of California, the deposits of which shall be secured at all times and in the same manner as state moneys are by law required to be secured; (xi) deposits in the Surplus Money Investment Fund referred to in the California Government Code; (xii) repurchase agreements or reverse repurchase agreements, as such terms are defined and pursuant to the terms of Section 16480.4 of the California Government Code; (xiii) collateralized or uncollateralized investment agreements or other contractual arrangements with corporations, financial institutions or national associations within the United States, provided that the senior long-term debt of such corporations, institutions or

associations is rated within the top two rating categories by a nationally recognized rating agency; or (xiv) money market funds that invest solely in obligations described in clause (i) of this definition; or commercial paper rated within the top rating designation by a nationally recognized rating agency and issued by corporations (1) organized and operating within the United States, (2) having total assets in excess of \$500,000,000, and (3) approved by the Pooled Money Investment Board, provided, however, that eligible commercial paper may not exceed 180 days' maturity or represent more than ten percent (10%) of the outstanding paper of an issuing corporation, and at the request of the Pooled Money Investment Board, such investment shall be secured by the issuer by depositing with the State Treasurer securities authorized by Section 53651 of the California Government Code of a market value of at least ten percent (10%) in excess of the State's investment.

"Maintenance and Operation Expenses" means necessary operating expenses, maintenance charges, expenses of reasonable upkeep and extraordinary repairs, a properly allocated share of charges for insurance, direct or special administrative expenses directly chargeable to the Projects and all other expenses incident to the operation of the Projects, but shall not include interest, amortization and depreciation expense and other non-cash charges, nor any general administrative expenses of the Board or of the State.

"Mandatory Sinking Account Payment" means, with respect to Bonds of any Series and maturity, the amount required by the Indenture or any Supplemental Indenture to be paid by the Board on any single date for the retirement of Term Bonds of such Series and maturity.

"Maximum Interest Rate" means 10% per annum.

"Net Income Available for Debt Service" means with respect to any period, the sum of: (1) the excess of Gross Revenues over Maintenance and Operation Expenses (before extraordinary items), determined in accordance with generally accepted accounting principles, each item determined in accordance with such generally accepted accounting principles, and excluding (a) any profits or losses on the sale or disposition, not in the ordinary course of business, of investments or fixed or capital assets relating to the Projects or resulting from the early extinguishment of Indebtedness or Designated Auxiliary Debt, (b) gifts, grants, bequests, donations and contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Debt Service, and (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; plus (2) Designated Auxiliary Revenues.

"Parity Lien" means any pledge, lien, security interest, encumbrance or charge of any kind, on or in any Gross Revenues which is equal and ratable to the lien of the Indenture on or in such Gross Revenues; provided, that the Security Document creating such an equal and ratable lien provides that an Event of Default under the Indenture shall constitute and event of default under such Security Document.

"Principal Payment Date" means, generally, each November 1, until the principal on such Series of Bonds has been paid or payment has been duly provided for such amounts, and such other principal payment date or dates as may be specified in a Supplemental Indenture for a Series of Bonds.

"Prior Bonds" means those certain prior Systemwide Revenue Bonds to be refunded with a portion of the proceeds of the Series 2026 Bonds, as described in "PLAN OF FINANCE – Refunding Plan" and Appendix H – "PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS."

"Projects" means, on any given date, all of the housing, parking, student union, student center, student health center and continuing education facilities owned or operated by the Board and any other facilities designated by the Board as Projects under the Indenture in a Certificate of the Board filed with the Trustee, except in all cases the Excluded Facilities.

"Record Date" means the fifteenth day of the month immediately preceding each Interest Payment Date or such other record date as may be established by a Supplemental Indenture with respect to a Series of Bonds.

"Remarketing Agent" means, for purposes of the Series 2026B Bonds, each remarketing agent appointed by the Board pursuant to the Forty-Fourth Supplemental Indenture.

“Remarketing Agreement” means, for purposes of the Series 2026B Bonds, any agreement which meets the requirements of the Forty-Fourth Supplemental Indenture.

“Security Documents” means all of the instruments, documents and agreements which, as of any date, have been executed and are then binding upon the Board in connection with any Senior Lien or Parity Lien or Subordinate Lien, including without limitation any indenture, trust agreement, loan agreement, credit agreement or security agreement.

“Senior Lien” means any pledge, lien, security interest, encumbrance or charge of any kind on or in any Gross Revenues which is senior in priority and superior to the lien of the Indenture on or in such Gross Revenues.

“Serial Bonds” shall mean the Bonds, falling due by their terms in specified years, for which no Mandatory Sinking Account Payments are provided.

“SIFMA Delayed Remarketing Period Rate” means, for purposes of the Series 2026B Bonds, the per annum interest rate on the Series 2026B Bonds or a subseries thereof during any SIFMA Delayed Remarketing Period following a SIFMA Rate Period for such Series 2026B Bonds, determined pursuant to the Forty-Fourth Supplemental Indenture, in each case, which rate shall be calculated by the Calculation Agent. In no event shall any SIFMA Delayed Remarketing Period Rate exceed the Maximum Interest Rate.

“SIFMA Rate Period” means, for purposes of the Series 2026B Bonds and the Forty-Fourth Supplemental Indenture, each period during which the Applicable SIFMA-Based Interest Rates are in effect.

“Subordinate Lien” means any pledge, lien, security interest, encumbrance or charge of any kind on or in any Gross Revenues which is subordinate in priority and junior to the lien of the Indenture on or in such Gross Revenues.

“Supplemental Indenture” or “Indenture supplemental hereto” means any indenture hereafter duly authorized and entered into between the Board and the Trustee in accordance with the provisions of the Indenture.

“Tax Certificate” means the certificate signed by the Board on the date any Series of Bonds are issued relating to the requirements of the Code.

“Term Bonds” shall mean the Bonds, if any, payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

“Term Rate” means a fixed interest rate on any Series 2026B Bond established in accordance with the Forty-Fourth Supplemental Indenture.

“Term Rate Delayed Remarketing Period” means, for purposes of the Forty-Fourth Supplemental Indenture and Series 2026B Bonds, the period from and including the applicable Term Rate Scheduled Mandatory Tender Date on which the applicable Series 2026B Bonds, or subseries thereof, is subject to purchase on such date pursuant to the Forty-Fourth Supplemental Indenture has not been remarketed to (but not including) the earlier to occur of: (a) the date on which all such Series 2026B Bonds are successfully remarketed pursuant to the Forty-Fourth Supplemental Indenture; and (b) the date on which all of such Series 2026B Bonds have been redeemed or paid at maturity.

“Term Rate Delayed Remarketing Period Rate” means, for each Term Rate Period for the Series 2026B Bonds or a subseries thereof, the per annum interest rates, as applicable, on such Series 2026B Bonds during any Term Rate Delayed Remarketing Period following such Term Rate Period, determined by the Remarketing Agent pursuant to the Forty-Fourth Supplemental Indenture. In no event shall any Term Rate Delayed Remarketing Period Rate exceed the Maximum Interest Rate.

“Term Rate Period” means, for purposes of the Series 2026B Bonds and Forty-Fourth Supplemental Indenture, each period during which Term Rates are in effect.

“Trustee” means the State Treasurer, any agent of the State Treasurer as provided in the Indenture, or any successor as Trustee under the Indenture as provided in the Indenture.

Application of Proceeds of the Series 2026 Bonds

The Board shall deposit the proceeds from the sale of the Series 2026 Bonds in the State Treasury of the State to the credit of the Program Fund within the fund designated as the “California State University Dormitory Construction Fund,” which fund was created by Section 90073 of the Education Code of the State and is referred to as the “Program Fund.” The Board shall account separately in the Program Fund for the proceeds from the sale of the Series 2026A Bonds and the Series 2026B Bonds.

Proceeds from the sale of the Series 2026 Bonds shall be deposited in respective accounts established within the Program Fund and designated as a “Project Account.” Immediately after the receipt of the proceeds from the sale of the Series 2026 Bonds, the Trustee, upon the order of the Controller of the State, and in accordance with the Certificate of the Board, shall withdraw certain proceeds from the applicable Project Account and transfer and/or deposit such moneys in one or more separate accounts relating to the Series 2026 Bonds, including any applicable Escrow Fund. Except as described in this section, the moneys remaining in the applicable Project Account shall be used and applied solely to meet the costs of acquisition and construction of the Series 2026 Projects and expenses and costs incidental to the acquisition and construction of the Series 2026 Projects, including the repayment of the principal of and interest on any interim loan, commercial paper or other financing of such costs, and costs and expenses incident to the issuance and sale of the Series 2026 Bonds (including transfer to any fund or funds from which advances have been made for any such costs and expenses, in repayment of such advances), and/or for capitalized interest. Moneys shall be paid from the applicable Series 2026 Project Account within the Program Fund upon claims filed by the Board with the Controller of the State and after audit by the Controller of the State in the manner provided by law and upon warrants drawn by the Controller of the State. Any moneys remaining in a Series 2026 Project Account in the Program Fund after all applicable costs and expenses have been transferred shall be used for such other purposes permitted under the Act as the Board may determine (including deposit to the Rebate Fund).

Program Fund; Project Accounts; Series Project Accounts

The Board shall maintain the Program Fund with the Trustee and, if permitted by law, at such banking institution or other financial, governmental or other institutions as the Board may determine. To the extent required by the Act as determined by the Board, the Program Fund shall constitute an account within the California State University Dormitory Construction Fund required to be maintained under the Act.

The Trustee shall be under no duty with respect to the use and application of moneys in the Program Fund and shall not be liable for the manner or method in which moneys withdrawn by the Board are in fact used and applied by the Board. Subject to certain conditions of the Indenture, the moneys deposited to the Program Fund may be invested by the Board in Investment Securities or any other lawful investment for funds of the Board. Subject to certain conditions of the Indenture, any moneys remaining in the Program Fund after completion of the Projects shall be promptly deposited to the Revenue Fund.

The amount initially deposited in a Series 2026 Project Account and any investment earnings thereon shall be held by the Trustee. The Board may establish and maintain a Costs of Issuance subaccount within each Series 2026 Project Account. Moneys in the Costs of Issuance subaccount of a Series 2026 Project Account shall be used and withdrawn by the Board to pay Costs of Issuance, the cost of acquisition or construction of the Series 2026 Projects, including reimbursements of any sums advanced by the Board for such purposes and refunding bond anticipation notes or other obligations incurred for such purposes, and to pay interest on the Series 2026 Bonds in such amounts and on such dates as may be determined by the Board. Notwithstanding any other provision of the Indenture, amounts in a Series 2026 Project Account may be invested in Investment Securities or any other lawful investment for funds of the Board.

Issuance of Additional Series of Bonds

In addition to the Series 2026 Bonds and other Outstanding Bonds, the Board may by Supplemental Indenture establish one or more other Series of Bonds, and the Board may issue, and the Trustee may authenticate and deliver to, or upon the Written Order of, the Board, Bonds of any Series so established, in such principal amount as shall be determined by the Board, subject to the requirements of the Indenture, and subject to the following specific conditions, which are made conditions precedent to the issuance of any such additional Series of Bonds:

(a) The Supplemental Indenture providing for the issuance of such Series shall specify the purposes for which such Series is being issued, which shall be one or more of the following: (1) to provide moneys needed to acquire, implement, install, construct or complete Projects, including reimbursements of any sums advanced by the Board for such purposes, by depositing into the Program Fund the proceeds of such Series to be so applied, (2) to refund all or part of the Bonds of any one or more Series then Outstanding, or (3) to provide moneys needed to refund all or part of any other Indebtedness or Designated Auxiliary Debt. Such Supplemental Indenture may, but is not required to, provide for the payment of expenses incidental to such purposes, including the costs of issuance of such Series, interest on Bonds of such series and, in the case of Bonds issued to refund other Bonds or Indebtedness or Designated Auxiliary Debt, expenses incident to calling, redeeming, paying or otherwise discharging the Bonds or Indebtedness or Designated Auxiliary Debt to be refunded.

(b) The Board shall be in full compliance with all covenants and undertakings set forth in the Indenture or any indenture supplemental hereto and with all covenants and undertakings in connection with any Bonds then Outstanding.

(c) Such additional Series of Bonds shall be equally and ratably secured with all other Bonds authorized in the Indenture, without preference or priority of any of the Bonds over any other Bonds, except as expressly provided in the Indenture.

(d) Such additional Series of Bonds shall satisfy the requirements for the issuance of Indebtedness secured by a Parity Lien provided in the Indenture.

(e) The aggregate principal amount of Bonds issued under the Indenture shall not exceed any limitation imposed by the Act or by any Supplemental Indenture.

Nothing contained in the Indenture shall prevent or be construed to prevent the Supplemental Indenture providing for the issuance of Additional Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the Indenture, additional security for the benefit of such Additional Bonds or the Bonds or any portion thereof.

Pledge and Assignment; Gross Revenue Fund; Revenue Fund

Subject only to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Indenture, the Board pledges to the Trustee to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of the Indenture, all of the Gross Revenues, all of the proceeds of the Bonds and any other amounts held in any fund or account established pursuant to the Indenture, excluding the Rebate Fund. Said pledge shall constitute a lien on and security interest in such assets and shall attach and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act, against all parties having claims of any kind in tort, contract or otherwise against the Board or the Trustee, irrespective of whether the parties have notice thereof; provided, however, that the pledge of Gross Revenues set forth in this section shall in all respects be junior to any Indebtedness secured by a Senior Lien. As of April 20, 2016, the Tuition Fee (previously known as the State University Fee), which is the basic enrollment charge paid by all students who attend CSU, was added to the pledge of Gross Revenues under the Indenture.

The Board agrees that, so long as any of the Bonds remain Outstanding, (i) all of the Gross Revenues not encumbered by any Senior Lien shall be deposited as soon as practicable upon receipt in a fund designated as the "Trustees of the California State University Systemwide Revenue Bonds Gross Revenue Fund" (the "Gross Revenue Fund") which the Board shall establish and maintain and (ii) funds equal to Gross Revenues encumbered by any Senior Lien shall be deposited in the Gross Revenue Fund at the earliest practicable time and to the extent such funds are available pursuant to the terms of the Security Documents evidencing such Senior Lien. To the extent Gross Revenues to be deposited in the Gross Revenue Fund pursuant to the immediately preceding sentence are encumbered by Indebtedness (other than Additional Bonds) secured by a Parity Lien, the Board agrees to allocate and deposit in the Gross Revenue Fund an amount of such Gross Revenues equal to the product of (A) such Gross Revenues multiplied by (B) a fraction, the numerator of which shall be (i) the proceeds of the Bonds, and the denominator of which shall be (ii) the sum of (x) the proceeds of the Bonds and (y) the proceeds of Indebtedness secured by a Parity Lien. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and

conditions set forth in the Indenture, the Board grants a security interest to the Trustee in the Gross Revenue Fund to secure the payment of the principal of and interest on the Bonds outstanding and the pledge of Gross Revenues under the Indenture.

To the extent required by the Act, as determined by the Board, the Gross Revenue Fund shall constitute an account within the California State University Dormitory Revenue Fund required to be maintained under the Act.

Amounts in the Gross Revenue Fund may be used and withdrawn by the Board at any time for any lawful purpose (including any use required by a Security Document establishing a Senior Lien or Parity Lien), except as described in the Indenture. In the event of the occurrence of an Event of Default of which the Trustee has actual knowledge or has received written notice, the Trustee shall notify the Board and the Gross Revenue Fund Depositories of such delinquency, and the Board shall cause the Gross Revenue Fund Depositories to, and the Gross Revenue Fund Depositories shall, transfer the Gross Revenue Fund to the name and credit of the Trustee. All Gross Revenues shall continue to be deposited by the Board in the Gross Revenue Fund as described in the Indenture until all Events of Default known to the Trustee shall have been made good or cured or provision deemed by the Trustee to be adequate shall have been made therefor, whereupon the Gross Revenue Fund shall be returned to the name and credit of the Board. During any period that the Gross Revenue Fund is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw amounts in said fund first to pay fees, expenses and disbursements of the Trustee and its agents in the event such fees, disbursements or expenses have not otherwise been paid by the Board, second to the payment of Maintenance and Operation Expenses, and third to make the transfers and deposits required under the section "Allocation of Gross Revenues to Funds" below. The Trustee will make payments for Maintenance and Operation Expenses upon receipt from the Board of a Certificate stating the nature and amount of such expenses, and the person or persons to whom such expenses are payable, and certifying that such expenses constitute Maintenance and Operation Expenses properly payable from the Gross Revenue Fund. The Board agrees to execute and deliver all instruments as may be required to implement the Section. The Board further agrees that a failure to comply with the terms of this section shall cause irreparable harm to the owners from time to time of the Bonds and shall entitle the Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the Board as described in this section.

On or before the fifteenth day of the month preceding any Bond Payment Date for so long as any of the Bonds remain Outstanding, the Board shall pay to the Trustee for deposit in a special fund designated as "Trustees of the California State University Systemwide Revenue Bonds Revenue Fund" (the "Revenue Fund"), which the Trustee shall establish, maintain and hold in trust, such amount as is required by the Trustee to make or cause the Board to make the transfers and deposits required on such dates under the section "Allocation of Gross Revenues to Funds" below (or to replenish the amounts required to be on deposit in any fund under the Indenture). Each transfer by the Board to the Trustee under the Indenture shall be in lawful money of the United States of America and paid to the Trustee at its Designated Office. All such moneys shall be promptly deposited by the Trustee upon receipt thereof in the Revenue Fund. All moneys deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. If the Board fails to make timely payment of all amounts required to be made pursuant to this section, the Board shall promptly make such payments in full as soon as possible.

To the extent required by the Act, as determined by the Board, the Revenue Fund shall constitute an account within the California State University Dormitory Interest and Redemption Fund required to be maintained under the Act.

Allocation of Gross Revenues to Funds

The Trustee shall transfer or shall cause the Board to transfer from the Revenue Fund, and deposit into one or more of the following respective funds (each of which the Trustee shall establish and maintain and hold in trust, and each of which shall be disbursed and applied only as authorized in the Indenture), on or before the fifteenth day of each month preceding any Bond Payment Date, the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Gross Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any fund subsequent in priority:

First: Into the Interest Fund, the amount, if any, needed to increase the amount in the Interest Fund to the aggregate amount of interest becoming due and payable on the Outstanding Bonds on the next succeeding Interest Payment Date (less the amounts, if any, to be paid from Capitalized Interest Accounts on such date).

Second: Into the Principal Fund, the amount, if any, needed to increase the amount in the Principal Fund to the aggregate amount of principal and Mandatory Sinking Account Payments becoming due and payable on the Outstanding Bonds on the next succeeding Principal Payment Date.

So long as no Event of Default has occurred and is continuing under the Indenture, the Trustee shall transfer, or shall cause the Board to transfer, any moneys remaining in the Revenue Fund on June 30 in each year which are not required for the payment of the Bonds (assuming for purposes of this sentence that the Board shall continue to make the deposits into the Revenue Fund at the times and in the amounts required under this section and the immediately preceding section) to the Board free and clear of the lien of the Indenture to be applied for any lawful purpose of the Board, and the Trustee shall have no obligation or duty to inquire or investigate how such moneys are being used.

Allocation of Interest Fund

All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Indenture), and otherwise as described in the section “Investment of Moneys in Funds” below.

With respect to each Series of Bonds for which proceeds of the sale thereof are required to be set aside to pay interest on the Bonds, the Trustee (if so instructed by the Supplemental Indenture providing for the issuance of such Series) shall establish and maintain a separate account within the Interest Fund, designated as the “Series ___ Capitalized Interest Account” (inserting therein the Series designation of such Bonds) (a “Capitalized Interest Account”). The Trustee shall transfer, or shall cause the Board to transfer, any moneys in a Capitalized Interest Account for deposit in the Interest Fund in the amounts and at the times specified in the Indenture or in the Supplemental Indenture providing for the issuance of such Series.

Moneys in any Capitalized Interest Account established pursuant to the Indenture shall be transferred to the Bond Interest Fund in the amounts and on or before the Interest Payment Dates set forth in the related Supplemental Indenture, and shall be used for the purpose of paying a portion of the interest on the applicable Series of Bonds Outstanding as the same shall become due and payable (including accrued interest on a Series of Bonds purchased or redeemed prior to maturity).

Application of Principal Fund

All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purposes of purchasing or redeeming or paying at maturity the Serial Bonds and the Term Bonds as described in this section, and otherwise as described in the section “Investment of Moneys in Funds” below.

The Trustee shall establish and maintain within the Principal Fund a separate account for the Term Bonds, if any, of each Series and maturity, designated as the “Series ____ 20__ Sinking Account” (the “Sinking Account”), inserting therein the Series and maturity (if more than one such account is established for such Series) designation of such Bonds. On or before each November 1, commencing as specified in the Indenture or any Supplemental Indenture, the Trustee shall transfer or shall cause the Board to transfer the amount deposited in the Principal Fund pursuant to the section “Allocation of Gross Revenues to Funds” above, for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month) from the Principal Fund to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the Series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in the Indenture; provided that, at any time prior to giving such notice of such redemption, the Trustee shall apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and

other charges, but excluding accrued interest, which is payable from the Interest Fund) as may be directed by the Board, except that the purchase price (excluding accrued interest) shall not exceed the redemption price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, the Board has deposited Term Bonds of such Series and maturity with the Trustee, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to this subsection shall be cancelled and delivered by the Trustee to or upon the Written Request of the Board. The Trustee shall withdraw, or shall cause the Board to withdraw, any amounts remaining in a Sinking Account when all of the Term Bonds for which such account was established are no longer outstanding and shall transfer, or cause the Board to transfer, such amounts to the Revenue Fund. Subject to a different allocation provided for in a Certificate of the Board filed with the Trustee, all Term Bonds purchased from a Sinking Account or deposited by the Board with the Trustee shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Bonds, then pro rata to the remaining Mandatory Sinking Account Payments required for such Series and maturity of Bonds in proportion to the amount of such Mandatory Sinking Account Payments.

Establishment and Application of Redemption Fund

The Trustee shall establish and maintain within the Redemption Fund (which the Trustee shall establish, maintain and hold in trust) an Optional Redemption Account. All amounts deposited in the Optional Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds Outstanding, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has not been given and at the redemption prices then applicable to redemptions from the Optional Redemption Account; provided that, at any time prior to giving such notice of redemption, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as may be directed by the Board, except that the purchase price (exclusive of accrued interest) may not exceed the par value of such Bonds. Any Supplemental Indenture may provide for the establishment of such additional accounts or subaccounts within the Redemption Fund as may be applicable to the Series of Bonds authorized by such Supplemental Indenture. Subject to a different allocation provided for such subaccounts by Supplemental Indentures, all Term Bonds of any Series purchased or redeemed from the Redemption Fund shall be allocated to applicable Mandatory Sinking Account Payments pro rata to the Mandatory Sinking Account Payments required for such Series and maturity of Bonds in proportion to the amount of such Mandatory Sinking Account Payments.

The Trustee shall establish and maintain and hold in trust separate accounts for each maturity of a Series of Bonds which are Term Bonds (if any) (the “Sinking Accounts”). Moneys on deposit in such Sinking Accounts shall be applied to provide for the redemption of the applicable maturity of the Term Bonds of such Series in accordance with the “Schedule of Mandatory Sinking Account Payments” contained in the Official Statement.

Investment of Moneys in Funds

All moneys in any of the funds and accounts established pursuant to the Indenture and held by the Trustee shall be invested by the Trustee in Investment Securities as directed by the Board. All moneys in any of the funds and accounts established pursuant to the Indenture and held by the Board shall be invested by the Board in any lawful investment for funds of the Board. All Investment Securities shall be purchased subject to the limitations described in the section “Particular Covenants of the Board of Trustees — Tax Covenants” below, to the limitations as to maturities in this section set forth and to such additional limitations or requirements, consistent with the foregoing, as may be established by Request of the Board (or a telephone request which is promptly confirmed by such Request of the Board). The Trustee shall only invest funds under the Indenture in accordance with directions from the Board and shall have no liability whatsoever with respect to the selection of such investments by the Board.

Investment Securities purchased as an investment of moneys in any fund or account established pursuant to the Indenture shall be credited to such fund or account, subject to the provisions of the immediately succeeding

paragraph. Unless otherwise specified in a Supplemental Indenture, for the purpose of determining the amount in any such fund or account, all Investment Securities credited to such fund or account shall be valued at cost plus or minus accreted discount or amortized premium except that in the case of zero-coupons, Investment Securities shall be valued at cost. The moneys on deposit in the Interest Fund and the Principal Fund shall be invested in Investment Securities such that the principal of such Investment Securities at maturity shall be sufficient to pay the interest on and principal of the Bonds, respectively, payable from the Interest Fund and the Principal Fund, respectively, on the next succeeding Bond Payment Date.

Unless otherwise provided in the Indenture or in a Supplemental Indenture for a Series of Bonds issued pursuant to such Supplemental Indenture and except as described in the section “Rebate Fund” below, the Trustee shall (1) prior to completion of the acquisition and construction of the Projects, transfer, or cause to be transferred by the Board, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture to the Board for deposit into the related Project Account within the Program Fund, and (2) after completion of the Projects, deposit, or cause the Board to deposit, in the Revenue Fund when received all such interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture. Notwithstanding anything to the contrary contained in this paragraph, except as described in the section “Rebate Fund” below, an amount of interest received with respect to an Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account from which such accrued interest was paid.

The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may sell at the best price reasonably obtainable or present for redemption, any Investment Security so purchased whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment. Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Indenture for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee under the Indenture, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

Rebate Fund

The Trustee shall establish and maintain a fund separate from any other fund established and maintained under the Indenture designated the Rebate Fund. The Board shall cause to be deposited in the Rebate Fund the rebate requirement as provided in the Tax Certificate, if any, for each Series of Bonds. Subject to the provisions of this section, moneys held in the Rebate Fund are pledged to secure payments to the United States government, and the Board and the owners shall have no rights in or claim to such moneys. The Trustee shall invest all amounts held in the Rebate Fund pursuant to the Request of the Board.

Upon receipt of the rebate instructions required to be delivered to the Trustee by the Tax Certificate, the Trustee shall remit part or all of the balance held in the Rebate Fund to the United States government as so directed. In addition, if the rebate instructions so direct, the Trustee shall deposit moneys into or transfer moneys out of, or shall cause the Board to deposit moneys into or transfer moneys out of, the Rebate Fund from or into such accounts or funds as the rebate instructions direct.

The Trustee shall conclusively be deemed to have complied with the provisions of this section if it follows the directions of the Board set forth in the rebate instructions and shall not be required to take any actions thereunder in the absence of rebate instructions from the Board.

Notwithstanding any provisions of this section, if the Board shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the Trustee and the Board may conclusively rely on such opinion in complying with the requirements of this section, and the covenants under the Indenture shall be deemed to be modified to that extent.

Funds and Accounts and Subaccounts

The Trustee and the Board may from time to time establish such additional funds and accounts under the Indenture and such subfunds or subaccounts therein as the Trustee or the Board may determine to be necessary, appropriate or convenient for the purposes of administering the Gross Revenues or the proceeds of the Bonds or any other moneys related thereto.

Particular Covenants of the Board of Trustees

Additional Indebtedness.

- (a) The Board shall not issue or incur any Indebtedness secured by a Senior Lien.
- (b) So long as no Event of Default has occurred or is continuing under the Indenture, the Board may issue or incur Indebtedness secured by a Parity Lien if there is filed with the Trustee a Certificate of the Board confirming its expectation that, for the first full Fiscal Year following the date the Project financed or refinanced with the proceeds of such Indebtedness secured by a Parity Lien is placed in service, Net Income Available for Debt Service for such Fiscal year shall be in an amount at least equal to Aggregate Debt Service for such Fiscal Year on all Indebtedness and Designated Auxiliary Debt.
- (c) Nothing in the Indenture shall limit the power of the Board to issue or incur (i) any Indebtedness secured by a Subordinate Lien; or (ii) any Indebtedness which is not secured by any pledge, lien or encumbrance on Gross Revenues.

Power to Issue Bonds and Make Pledge and Assignment. The Board is duly authorized pursuant to the Act to issue the Bonds and to execute and deliver the Indenture and to pledge and assign the Gross Revenues and other assets purported to be pledged and assigned, respectively, under the Indenture in the manner and to the extent provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding limited obligations of the Board in accordance with their terms, and the Board shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Gross Revenues and other assets and all the rights of the Bondholders under the Indenture against all claims and demands of all persons whomsoever.

Payment of Taxes and Claims. The Board or the Trustee shall, from time to time, but solely from Gross Revenues, duly pay and discharge, or cause to be paid and discharged, any property taxes, assessments or other governmental charges that may be lawfully imposed upon the Gross Revenues or other assets pledged or assigned under the Indenture, when the same shall become due, as well as any lawful claim which, if unpaid, might by law become a lien or charge upon the Gross Revenues or such other assets or which might impair the security of the Bonds.

Accounting Records and Financial Statements.

- (a) The Board shall keep or cause to be kept proper books of record and account in which complete and accurate entries shall be made in accordance with industry standards of all transactions relating to the proceeds of Bonds, the Gross Revenues, and all funds and accounts established pursuant to the Indenture. Such books of record and account shall be available for inspection by the Trustee and by any Bondholder, or its agent or representative duly authorized in writing, during any Business Day at reasonable hours and under reasonable circumstances, including at least 24 hours notice.
- (b) Not later than two hundred ten (210) days after the end of each Fiscal Year of the Board, the Board will furnish to the Trustee a detailed, certified report of audit, based on an examination sufficiently complete to comply with generally accepted auditing standards, prepared by an Independent Certified Public Accountant, covering the operations of the Projects for the Fiscal Year next preceding, and showing the Gross Revenues and expenses (by major classification) for such period. There shall also be included with each audit report a written opinion of the Independent Certified Public Accountant, to the effect that in making the examination necessary in connection with said audit, no knowledge of any default by the Board in the fulfillment of any of the terms, covenants, provisions and conditions of the Indenture, or any Supplemental Indenture, was obtained or, if said accountant shall have obtained knowledge of any such default, a statement of the default or defaults thus discovered and the nature thereof.

(c) Not later than two hundred ten (210) days after the end of each Fiscal Year of the Board, the Board shall also furnish to the Trustee a certified report of audit, prepared by an Independent Certified Public Accountant, reflecting the financial condition and record of operation of the Board.

Tax Covenants. The Board will not make any use of the proceeds of the tax-exempt Bonds or any other funds of the Board or of the Projects which will cause any tax-exempt Bond to be an “arbitrage bond” subject to federal income taxation by reason of Section 148 of the Code, or a “federally-guaranteed obligation” under Section 149(b) of the Code, or a “private activity bond” as described in Section 141 of the Code. To that end, the Board, with respect to such proceeds and such other funds and the Projects, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect.

The Board further covenants that it will not use or permit the use of the Projects by any person for a “private business use” within the meaning of Section 141(b) of the Code, in such manner or to such extent as would result in the inclusion of interest received on tax-exempt Bonds in gross income for federal income tax purposes under Section 103 of the Code.

If at any time the Board is of the opinion that for purposes of this section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or under the Indenture, the Board shall so instruct the Trustee or the appropriate officers of the Board in writing, and the Trustee or the appropriate officers of the Board, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

In furtherance of the covenants of the Board set forth above, the Board will comply with the Tax Certificate and will cause the Trustee to comply with the Tax Certificate.

The Board may provide in a Supplemental Indenture for a Series of Bonds that all or a portion of the provisions of this sub-section shall not apply to such Series of Bonds.

Compliance with Indenture, Contracts, Laws and Regulations. The Board shall faithfully observe and perform all the covenants, conditions and requirements of the Indenture, shall not issue any Bonds in any manner other than in accordance with the Indenture, and shall not suffer or permit any default to occur under the Indenture, or do or permit to be done, anything that might in any way weaken, diminish or impair the security intended to be given pursuant to the Indenture. Subject to the limitations and consistent with the covenants, conditions and requirements contained in the Indenture, the Board and the Trustee shall comply with the terms, covenants and provisions of all contracts concerning or affecting the application of proceeds of Bonds or the Gross Revenues.

Maintenance of Projects. The Board shall maintain the Projects in good condition and repair, such condition and repair to be comparable with that of similar types of properties. The Board may from time to time enter into leases of the Projects to a Person upon such terms and conditions as the Board may determine.

Insurance; Use of Insurance or Condemnation Proceeds. The Board shall maintain or cause to be maintained insurance or risk management programs of such type, in such amounts and against such risks as are appropriate, as determined by the Board, for facilities of similar size and nature as the Projects (and in any event as are consistent with the amounts and risks applicable to other similar properties of the Board), including, but not limited to, fire and extended coverage insurance, public liability insurance, workers’ compensation insurance and business interruption insurance, in the event and to the extent such insurance is customarily maintained by the Board for facilities of similar size and nature as the Projects. The Board shall pay as the same become due all premiums in respect thereto. In the event of any damage to, or destruction or condemnation of, any Project, the Board will promptly arrange for the application of the insurance proceeds or condemnation awards for the repair, reconstruction or replacement of the damaged, destroyed or taken portion thereof, or for the payment of Indebtedness or such other purpose as the Board may determine.

Rate Covenant. The Board shall set rates, charges, and fees for the Projects for the then current Fiscal Year so as to cause Net Income Available for Debt Service to be in an amount at least equal to Aggregate Debt Service for all Indebtedness and Designated Auxiliary Debt for such Fiscal Year.

Continuing Disclosure for the Series 2026 Bonds. The Board and the Trustee covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Board or the Treasurer to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Treasurer may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Series 2026 Bonds shall) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board or the Treasurer, as the case may be, to comply with its obligations under this section. For purposes of this section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries).

Events of Default

The following events shall be Events of Default under the Indenture:

- (a) default in the due and punctual payment of the principal of, or interest or redemption premium, if any, on, any Bond when due and payable;
- (b) default in the due and punctual payment of the principal of, or interest or redemption premium, if any, on, any Indebtedness secured by a Parity Lien when due and payable; or
- (c) default by the Board in the observance of any of the covenants, agreements or conditions on its part of the Indenture or in the Bonds contained, other than a default described in (a) or (b) above, and continuance of such default for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Board by the Trustee, or to the Board and the Trustee by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding.

Acceleration of Maturities

If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and at the request of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall, upon notice in writing to the Board, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding. The Trustee shall immediately give notice of such declaration to Bondholders, in the same manner that notices of redemption are given, specifying the date of such declaration, that as of the Business Day immediately following such declaration the Bonds shall cease to bear interest, and that all principal of and interest on the Bonds to the Business Day immediately following such declaration of acceleration shall be payable upon the surrender thereof at the Designated Office of the Trustee.

Application of Gross Revenues and Other Funds after Default

If an Event of Default shall occur, then, and in every such case during the continuance of such Event of Default, all Gross Revenues and any other moneys then held or thereafter received by the Trustee under any of the provisions of the Indenture shall be applied by the Trustee as follows and in the following order:

- (a) To the payment of any compensation and expenses as due to the Trustee under the Indenture;
- (b) To the payment of Maintenance and Operation Expenses, provided that the Trustee will make payments for Maintenance and Operation Expenses only upon receipt from the Board of a Certificate stating the nature and amount of such expenses, and the person or persons to whom such expenses are payable, and certifying that such expenses constitute Maintenance and Operation Expenses properly payable from the Gross Revenues; and
- (c) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, any stamping thereon of the payment if only partially paid or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over the principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Modification of Indenture without Consent of Bondholders

The Board and the Trustee from time to time and at any time, subject to the conditions and restrictions contained in the Indenture, may enter into an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part of the Indenture, for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the Board contained in the Indenture, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved in the Indenture to or conferred upon the Board;

(b) to evidence the succession of another governmental unit or entity, whether public or private, to the Board, or successive successions, and the assumption by such successor of the covenants and obligations of the Board contained in the Bonds and in the Indenture;

(c) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to any matters or any questions arising under the Indenture, as the Board may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Holders of the Bonds;

(d) to conform to the terms and conditions of the reimbursement agreements or loan agreements or similar documents relating to letters of credit, lines of credit, bond insurance policies, reserve fund surety bonds or policies, guarantees or similar undertakings for the Bonds provided by a Credit Facility Provider;

(e) to conform to the terms and conditions of the Security Documents evidencing a Parity Lien, provided such modification shall not materially adversely affect the interests of the Holders of the Bonds;

(f) to modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, and, if the Board so determines, to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Bonds;

(g) to provide procedures required to permit any Holder, at its option, to utilize an uncertificated system of registration of its Bonds;

(h) to provide for the procedures required to permit any Holder to separate the right to receive interest on the Bonds from the right to receive the principal thereof and to sell or dispose of such rights, as contemplated by Section 1286 of the Code; and

(i) if permitted under the Act, (1) to provide for the issuance of Bonds and the loan of the proceeds of such Bonds to a Designated Auxiliary Organization, which Bonds shall be repaid from Gross Revenues; or (2) to provide for the issuance of Bonds for the acquisition or construction of a Project to be leased or sold to a Designated Auxiliary Organization, which Bonds shall be repaid from Gross Revenues.

Any Supplemental Indenture authorized by the provisions of this section may be executed by the Board and the Trustee without the consent of the owners of any of the Bonds at the time Outstanding but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Modification of Indenture with Consent of Bondholders

With the consent of the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds at the time Outstanding, the Board and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture or of any Supplemental Indenture; provided, however, that no such Supplemental Indenture shall (1) extend the stated maturity of the Bonds or reduce the rate of interest thereon, or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each Bond so affected, (2) reduce the aforesaid percentage of owners of Bonds required to approve any such Supplemental Indenture, without the consent of the owners of all Bonds then Outstanding, or (3) modify any of the rights or obligations of the Trustee without his written assent thereto. Upon receipt by the Trustee of a Certificate of the Board authorizing the execution of any such Supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of Bondholders, the Trustee shall join with the Board in the execution of such Supplemental Indenture.

It shall not be necessary for the consent of the Bondholders under this section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Effect of Supplemental Indenture

Upon the execution of any Supplemental Indenture pursuant to the provisions of the sections "Modification of Indenture without Consent of Bondholders" or "Modification of Indenture with Consent of Bondholders" above, the Indenture shall be and be deemed to be modified and amended in accordance therewith, and respective rights, duties and obligations under the Indenture of the Board, the Trustee and all owners of Bonds Outstanding shall thereafter be determined, exercised and endorsed under the Indenture subject in all respects to such modification and amendments, and all the terms and conditions of any such Supplemental Indenture shall be and be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Defeasance

Bonds may be paid by the Board in any of the following ways; provided that the Board also pays or causes to be paid any other sums payable under the Indenture by the Board and related to the Bonds:

(a) by paying or causing to be paid the principal and interest on Outstanding Bonds; as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Indenture) to pay or redeem Outstanding Bonds; or

- (c) by delivering to the Trustee, for cancellation by it, Outstanding Bonds.

If the Board shall pay all Bonds Outstanding and shall also pay or cause to be paid all other sums payable under the Indenture by the Board, then and in that case, at the election of the Board (evidenced by a Certificate of the Board, filed with the Trustee, signifying the intention of the Board to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Gross Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Board under the Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Indenture and except for the obligation of the Board to pay any amounts under and to otherwise satisfy all of its obligations to the Trustee under the Indenture. In such event, upon Request of the Board, the Trustee shall cause an accounting for such period or periods as may be requested by the Board to be prepared and filed with the Board and shall execute and deliver to the Board all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee and any paying agents shall pay over, transfer, assign or deliver to the Board all moneys or securities or other property held by them pursuant to the Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Indenture) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Indenture, then all liability of the Board in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the Board, and the Board shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment, provided further, however, that the provisions of the Indenture concerning payment of Bonds after discharge of the Indenture shall apply in all events.

The Board may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered which the Board may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal and all unpaid interest thereon to the redemption date; or

(b) Defeasance Securities, the principal of and interest on which when due will provide money sufficient to pay the principal and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Request of the Board) to apply such money to the payment of such principal and interest with respect to such Bonds.

Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal or interest on any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon Request of the Board, be repaid to the Board free from the trusts created by the Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease provided, however, that before the repayment of such moneys to the Board as aforesaid, the Trustee, as the case

may be, shall at the request of the Board (at the cost of the Board) first mail a notice, in such form as may be deemed appropriate by the Trustee, to the owners of the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Board of the moneys held for the payment thereof.

PROVISIONS APPLICABLE TO THE SERIES 2026B BONDS

THIS OFFICIAL STATEMENT IS NOT INTENDED TO AND DOES NOT PROVIDE INFORMATION WITH RESPECT TO THE SERIES 2026B BONDS AFTER ADJUSTMENT TO ANY NEW INTEREST RATE PERIOD, OTHER THAN THE INITIAL RATE PERIOD DESCRIBED HEREIN.

Term of the Series 2026B Bonds

The term of the Series 2026B Bonds or any subseries thereof, shall be divided into consecutive Interest Rate Periods during which each subseries of the Series 2026B Bonds shall bear interest pursuant to an applicable interest rate mode (the Daily Rate, Weekly Rate, Applicable SIFMA-Based Interest Rates, SIFMA Delayed Remarketing Period Rates, Flexible Rate(s), Term Rate or Term Rate Delayed Remarketing Period Rates; provided, however, that, to the extent determined in accordance with the Indenture, a portion of a subseries of Series 2026B Bonds may bear interest at a Daily Rate or a Weekly Rate while other Series 2026B Bonds continue to bear interest at Flexible Rates).

The Initial Rate Period for the Series 2026B-1 Bonds, the Series 2026B-2 Bonds and the Series 2026B-3 Bonds shall be as described in the Official Statement. The Series 2026B-1 Bonds, Series 2026B-2 Bonds and the Series 2026B-3 Bonds shall initially bear interest at a Term Rate described herein, respectively, for a Term Rate Period commencing on the Date of Issuance and ending on the day immediately preceding the applicable Term Rate Scheduled Mandatory Tender Date. Interest during the Initial Rate Period shall be payable semiannually on each Interest Payment Date.

The Series 2026B Bonds shall bear interest until final payment of the principal or redemption price thereof shall have been made in accordance with the provisions of the Indenture, whether at maturity, upon redemption or otherwise. Interest on each Series 2026B Bond shall be paid on the respective Interest Payment Date for the period from the last Interest Payment Date (or the Date of Issuance if there has been no prior Interest Payment Date) to and including the day preceding such Interest Payment Date. Interest on the Series 2026B Bonds bearing Term Rates or Term Rate Delayed Remarketing Period Rates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. Notwithstanding any other provision of the Indenture, it shall not be required that all subseries of the Series 2026B Bonds bear interest at the same rate, provided that, except as otherwise provided in the Indenture, no more than one Interest Rate Period may apply to a Subseries of Series 2026B Bonds at any time.

Interest Rate Periods; Initial Rate Periods.

The term of each Subseries of Series 2026B Bonds shall be divided into consecutive Interest Rate Periods. The Initial Rate Period for the 2026B-1 Bonds, 2026B-2 Bonds and 2026B-3 will be a Term Rate Period. The 2026B-1 Bonds, 2026B-2 Bonds and 2026B-3 Bonds shall initially bear interest at a Term Rate, for a Term Rate Period commencing on the Date of Issuance and ending on the day immediately preceding the applicable Term Rate Scheduled Mandatory Tender Date. Following the related Call Protection Date, the Interest Rate Period for any subseries of the Series 2026B Bonds may be adjusted to another interest rate period, on any date on which such Series 2026B Bonds are subject to optional redemption, in which event such Series 2026B Bonds shall be subject to mandatory tender for purchase at the applicable price set forth herein. **THIS OFFICIAL STATEMENT IS NOT INTENDED TO AND DOES NOT PROVIDE INFORMATION WITH RESPECT TO THE SERIES 2026B BONDS AFTER ADJUSTMENT TO ANY NEW INTEREST RATE PERIOD.**

Adjustment to a Daily Rate Period. By notice given by Electronic Means to the Tender Agent, the Remarketing Agent and the Credit Providers, if any, the Series 2026B Bonds of a Subseries shall bear interest at a Daily Rate. Such notice shall specify the effective date of such adjustment to a Daily Rate, which shall be (a) a Business Day not earlier than 20 days after delivery of such notice (or 35 days if the then-current Interest Rate Period is a Term Rate Period or seven days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period); and (b) in the case of an adjustment from a Term Rate Period or any Term Rate Delayed Remarketing Period, a day on which such Series 2026B Bonds would be permitted to be optionally redeemed pursuant to the Indenture.

Notice of Adjustment to a Daily Rate Period. The Trustee shall give notice by Electronic Means of an adjustment to a Daily Rate Period to the Holders of the Series 2026B Bonds to be adjusted not less than 15 days (30 days if the then-

current Interest Rate Period is a Term Rate Period or five (5) Business Days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period) nor more than 60 days prior to the effective date of such Daily Rate Period. Such notice shall state (a) that the interest rate on such Series 2026B Bonds will be adjusted to a Daily Rate, (b) the effective date and the Interest Payment Dates of the Daily Rate Period, (c) that such Series 2026B Bonds are subject to mandatory tender for purchase on such effective date, (d) the procedures for such mandatory tender, and (e) the Purchase Price of such Series 2026B Bonds on such effective date (expressed as a percentage of the principal amount thereof). Such notice is subject to rescission.

Adjustment to a Weekly Rate Period. By notice given by the Trustee by Electronic Means to the Tender Agent, the Remarketing Agent and the Credit Providers, if any, the Series 2026B Bonds of a Subseries shall bear interest at a Weekly Rate. Such notice (a) shall specify the effective date of such adjustment to a Weekly Rate, which shall be (a) a Business Day not earlier than 20 days after delivery of such notice (or 35 days if the then-current Interest Rate Period is a Term Rate Period or seven days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period); and (b) in the case of an adjustment from a Term Rate Period or any Term Rate Delayed Remarketing Period, a day on which such Series 2026B Bonds would be permitted to be optionally redeemed pursuant to the Indenture. Such notice may also specify the Interest Payment Dates to apply for such Weekly Rate Period.

Notice of Adjustment to a Weekly Rate Period. The Trustee shall give notice by Electronic Means of an adjustment to a Weekly Rate Period to the Holders of the Series 2026B Bonds to be adjusted not less than 15 days (30 days if the then-current Interest Rate Period is a Term Rate Period or five (5) Business Days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period) nor more than 60 days prior to the effective date of such Weekly Rate Period. Such notice shall state (a) that the interest rate on such Series 2026B Bonds will be adjusted to a Weekly Rate, (b) the effective date and Interest Payment Dates of the Weekly Rate Period, (c) that such Series 2026B Bonds are subject to mandatory tender for purchase on such effective date, (d) the procedures for such mandatory tender, and (e) the Purchase Price of such Series 2026B Bonds on such effective date (expressed as a percentage of the principal amount thereof). Such notice is subject to rescission.

Adjustment to a Term Rate Period. By notice given by the Trustee by Electronic Means to the Tender Agent, the Remarketing Agent and the Credit Providers, if any, the Series 2026B Bonds of a Subseries shall bear interest at shall bear interest at or continue in a Term Rate. Each Term Rate Period shall have a duration such that the last day of such Term Rate Period is (1) a day which both immediately precedes a Business Day and is at least nine (9) months after the effective date of such Term Rate Period or (2) if earlier, the day immediately preceding the Maturity Date of such Series 2026B Bonds. Such notice shall specify the effective date of each Term Rate Period, which shall be (1) a Business Day not earlier than 20 days after delivery of such notice (or 35 days if the then-current Interest Rate Period is a Term Rate Period or seven days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period); and (2) in the case of an adjustment from or continuation of a Term Rate Period or adjustment from any Term Rate Delayed Remarketing Period, a day on which such Series 2026B Bonds would be permitted to be optionally redeemed pursuant to the Indenture. In addition, such notice shall specify the last day of such Term Rate Period and the Interest Payment Dates to be effective for such Term Rate Period and any following Term Rate Delayed Remarketing Period, or state that the last day and Interest Payment Dates will be determined by the Trustee prior to the effective date. Two or more consecutive Term Rate Periods may be specified in such notice.

In the event moneys on deposit with the Tender Agent are sufficient to pay the Purchase Price of Series 2026B Bonds of a Series or Subseries tendered for purchase on a Term Rate Scheduled Mandatory Tender Date for such Series 2026B Bonds and if the Trustee has elected that such Series 2026B Bonds be adjusted to a new Term Rate Period pursuant to the Indenture, the following shall occur: (i) the Term Rate Period in effect immediately before such purchase shall terminate on the day prior to the Term Rate Scheduled Mandatory Tender Date and a new Term Rate Period shall commence on such date; (ii) the Term Rate Call Protection Date with respect to such Series 2026B Bonds for the new Term Rate Period shall be determined pursuant to the Indenture; and (iii) the Term Rate Delayed Remarketing Period Rate for any Term Rate Delayed Remarketing Period that may follow the new Term Rate Period shall be determined pursuant to the Indenture.

The Term Rate Delayed Remarketing Period Rate for any Term Rate Delayed Remarketing Period following each Term Rate Period shall be determined by the Board by 5:00 p.m. (New York City time) on a date that is not later than (and which may be earlier than) two (2) Business Days before (1) the effective date of an adjustment of the Interest Rate Period to the Term Rate Period for the applicable Series or Subseries of Series 2026B Bonds, and (2) the first day on which any subsequent Term Rate Period shall commence for such Series 2026B Bonds.

Notice of Adjustment to a Term Rate Period. The Trustee shall give notice by Electronic Means of an adjustment to a Term Rate Period to the Holders of the Series 2026B Bonds to be adjusted not less than 15 days (30 days if the then-current Interest Rate Period is a Term Rate Period or five (5) Business Days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period) nor more than 60 days prior to the effective date of such Term Rate Period. Such notice shall state (a) that the interest rate on such Series 2026B Bonds will be adjusted to, or continue to be, a Term Rate, (b) the effective date of the Term Rate Period, (c) the last day and Interest Payment Dates of the Term Rate Period, if they have been selected by the Trustee, (d) that such Series 2026B Bonds shall be subject to mandatory tender for purchase on such effective date, (e) the procedures for such mandatory tender, and (f) the Purchase Price of such Series 2026B Bonds on such effective date (expressed as a percentage of the principal amount thereof). Such notice shall be subject to rescission.

Adjustment to a Flexible Rate Period. By notice given by the Trustee by Electronic Means to the Tender Agent, the Remarketing Agent and the Credit Providers, if any, the Series 2026B Bonds of a Subseries shall bear interest at shall bear interest at Flexible Rates. Such notice shall specify the effective date of the Flexible Rate Period during which such Series 2026B Bonds shall bear interest at Flexible Rates, which shall be (a) a Business Day not earlier than 20 days after delivery of such notice (or 35 days if the then-current Interest Rate Period is a Term Rate Period or seven days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period), and (b) in the case of an adjustment from a Term Rate Period or any Term Rate Delayed Remarketing Period, a day on which such Series 2026B Bonds would be permitted to be optionally redeemed pursuant to the Indenture.

Notice of Adjustment to a Flexible Rate Period. The Trustee shall give notice by Electronic Means of an adjustment to a Flexible Rate Period to the Holders of the Series 2026B Bonds to be adjusted not less than 15 days (30 days if the then-current Interest Rate Period is a Term Rate Period or five (5) Business Days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period) nor more than 60 days prior to the effective date of such Flexible Rate Period. Such notice shall state (1) that the interest rate on such Series 2026B Bonds will be adjusted to Flexible Rates, (2) the effective date and the last day of the Flexible Rate Period, (3) that such Series 2026B Bonds are subject to mandatory tender for purchase on the effective date of such Flexible Rate Period, (4) the procedures for such mandatory tender, and (5) the Purchase Price of such Series 2026B Bonds on such effective date (expressed as a percentage of the principal amount thereof). Such notice shall be subject to rescission.

Adjustment to a SIFMA Rate Period. At any time, by notice given by the Trustee by Electronic Means to the Tender Agent, the Remarketing Agent and the Credit Providers, if any, the Series 2026B Bonds of a Subseries shall bear interest at shall bear interest at new SIFMA Rate Period. Such notice (1) shall specify the effective date of such adjustment to a SIFMA Rate Period, which shall be (a) a Business Day not earlier than 20 days after delivery of such notice (or 35 days if the then-current Interest Rate Period is a Term Rate Period or seven days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period); and (b) in the case of an adjustment from a Term Rate Period or any Term Rate Delayed Remarketing Period, a day on which the Series 2026B Bonds would be permitted to be optionally redeemed.

Notice of Adjustment to a SIFMA Rate Period. The Trustee shall give notice by Electronic Means of an adjustment to a new SIFMA Rate Period to the Holders of the Series 2026B Bonds to be adjusted not less than 15 days (30 days if the then-current Interest Rate Period is a Term Rate Period or five (5) Business Days if the then-current Interest Rate Period is a Term Rate Delayed Remarketing Period) nor more than 60 days prior to the effective date of such SIFMA Rate Period. Such notice shall state (a) that the interest rate on the Series 2026B Bonds will be adjusted to an Applicable SIFMA-Based Interest Rate, (b) the effective date of the SIFMA Rate Period, (c) that the Series 2026B Bonds are subject to mandatory tender for purchase on such effective date, (d) the procedures for such mandatory tender, and (e) the Purchase Price of the Series 2026B Bonds on such effective date (expressed as a percentage of the principal amount thereof). Such notice shall be subject to rescission.

Determination Conclusive. In the absence of manifest error, the determination of any Flexible Rate, Daily Rate, Weekly Rate, Term Rate, any Term Rate Delayed Remarketing Period Rate, each Flexible Segment, any Applicable SIFMA-Based Interest Rate and any SIFMA Delayed Remarketing Period Rate and the calculation of interest payable on the Series 2026B Bonds in accordance with the Indenture shall be conclusive and binding upon each Remarketing Agent, the Trustee, the Holders of the applicable Series 2026B Bonds and each Credit Provider.

Rescission of Election. Notwithstanding anything in the Indenture to the contrary, the Trustee may rescind any election to adjust to or continue an Interest Rate Period prior to the effective date of such adjustment or continuation by giving notice (or causing notice to be given) by Electronic Means prior to such effective date to the Tender Agent,

Remarketing Agents and Credit Provider(s), if any, for the Series 2026B Bonds affected thereby and the Holders of those Series 2026B Bonds. In the event of such a rescission, the Series 2026B Bonds affected thereby shall not be subject to mandatory tender for purchase on the effective date of the rescinded election to adjust to or continue such an Interest Rate Period, and the Interest Rate Period for such Series 2026B Bonds shall not change; provided that if such mandatory tender for purchase coincides with a Term Rate Scheduled Mandatory Tender Date, and all the then-Outstanding Series 2026B Bonds of a Subseries are not remarketed, the terms of such Series 2026B Bonds shall be governed by the Indenture.

Failure to Satisfy Conditions Precedent to an Adjustment of the Interest Rate Period. In the event any conditions precedent to an effective date of the new Interest Rate Period for a Subseries of Series 2026B Bonds, then the new Interest Rate Period for such Series 2026B Bonds shall not take effect and such Series 2026B Bonds shall not be subject to mandatory tender for purchase. If the failed change in Interest Rate Period was from the Term Rate Period or any Term Rate Delayed Remarketing Period, then the Series 2026B Bonds affected by such failed change shall remain in the Term Rate Period or Term Rate Delayed Remarketing Period, as the case may be, in each case with the interest rates then in effect as of the failed effective date of the new Interest Rate Period; provided that if such mandatory tender for purchase coincides with a Term Rate Scheduled Mandatory Tender Date, and all the Series 2026B Bonds of a Subseries are not remarketed, the terms of such Series 2026B Bonds shall be governed by the applicable provisions of the Indenture.

Redemption of Series 2026B Bonds.

During any Term Rate Period or any Term Rate Delayed Remarketing Period for a Subseries of Series 2026B Bonds, such Series 2026B Bonds shall be subject to redemption (a) during a Term Rate Period, on the applicable Term Rate Call Protection Date or any Business Day thereafter and (b) during a Term Rate Delayed Remarketing Period, on any Business Day, in each case at a redemption price of 100% of the principal amount thereof.

Except as provided in the Indenture, any Series 2026B Bond subject to optional or mandatory tender for purchase as set forth in the Indenture, which is not purchased on the related Purchase Date from the Remarketing Account or the Credit Agreement Purchase Account, if any, shall be redeemed on such date with moneys provided from the Redemption Account at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. No notice of such mandatory redemption is required under the Indenture.

The Trustee may not adjust the Interest Rate Period for any Series 2026B Bonds that have been called for redemption.

Mandatory Tender of the Series 2026B Bonds.

The Series 2026B Bonds are subject to mandatory tender for purchase at a Purchase Price equal to 100% of the principal amount thereof, plus accrued interest to the Purchase Date, on the applicable Term Rate Scheduled Mandatory Tender Date. Failure to pay the Purchase Price of all such Series 2026B Bonds tendered on a Term Rate Scheduled Mandatory Tender Date shall not constitute an Event of Default. In the event of a failure to pay the Purchase Price of all of such Series 2026B Bonds tendered for purchase on a Term Rate Scheduled Mandatory Tender Date, a Term Rate Delayed Remarketing Period shall commence on such date and continue until the earlier of (a) the date on which all such Series 2026B Bonds are successfully remarketed pursuant to the Indenture or (b) the date on which all of such Series 2026B Bonds have been redeemed or paid at maturity. During such a Term Rate Remarketing Period, the bonds shall bear interest at the Term Rate Delayed Remarketing Period Rate as designated by the Remarketing Agent pursuant to the Indenture. Notwithstanding the foregoing, Series 2026B Bonds that have not been purchased or redeemed on the related initial Term Rate Scheduled Mandatory Tender Date set forth in this Official Statement shall bear interest from and including such Term Rate Scheduled Mandatory Tender Date until the date such Series 2026B Bonds are remarketed, redeemed or paid at maturity at the respective rates per annum for the applicable period of days as set forth in the following table:

For the Period (in Days) on and after the <u>Mandatory Tender Date</u>	<u>Interest Rate Per Annum</u>
0 to 89 days	6%
90 days and thereafter	8%

The Series 2026B Bonds are further subject to mandatory tender for purchase subject to adjustment of the Interest Rate Period, the addition of a Credit Agreement, or the substitution of a Credit Provider on any date on which such Series 2026B Bonds are subject to optional redemption. Any such bonds will be subject for mandatory tender for purchase at the applicable price as set forth in the Indenture.

Mandatory Tender for Purchase. Series 2026B Bonds shall be subject to mandatory tender for purchase at a Purchase Price equal to 100% of the principal amount thereof, plus accrued interest to the Purchase Date in immediately available funds, on the effective date of (i) any adjustment of the Interest Rate Period for such Bond, or (ii) the substitution of a Credit Provider for such Bond;

As to each Series 2026B Bond in a Term Rate Period, on the applicable Term Rate Scheduled Mandatory Tender Date, the failure to pay the Purchase Price of all tendered Series 2026B Bonds on a Term Rate Scheduled Mandatory Tender Date shall not constitute an Event of Default and in the event of a failure to pay the Purchase Price of all of the Series 2026B Bonds tendered for purchase on a Term Rate Scheduled Mandatory Tender Date, a Term Rate Delayed Remarketing Period shall commence on such date as provided in the Indenture.

The Trustee shall give notice by Electronic Means to the Holders of, and the Remarketing Agents for, the Series 2026B Bonds subject to mandatory tender for purchase on the applicable Term Rate Scheduled Mandatory Tender Date not later than thirty (30) nor sooner than sixty (60) days prior to the date on which such Series 2026B Bonds will be subject to mandatory tender for purchase, which notice shall state: (i) the Interest Rate Period applicable to such Series 2026B Bonds from and after the Purchase Date; (ii) that such tendered Series 2026B Bonds will be subject to mandatory tender for purchase and specifying the date such purchase shall occur; (iii) the procedures for such mandatory tender for purchase; (iv) the Purchase Price of such Series 2026B Bonds to be purchased and (v) the consequences of a failed remarketing.

Series 2026B Bonds shall also be subject to mandatory tender for purchase during any Term Rate Delayed Remarketing Period in accordance with the Indenture.

Delivery of Tendered Series 2026B Bonds. With respect to any Book-Entry Bond, delivery of such Bond to the Tender Agent in connection with any optional or mandatory tender for purchase pursuant to the Indenture shall be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of DTC or any DTC Participant to reflect the transfer of the beneficial ownership interest in such Bond to the account of the Tender Agent, or to the account of a DTC Participant acting on behalf of the Tender Agent on the Purchase Date. With respect to any Series 2026B Bond which is not a Book-Entry Bond, delivery of such Bond to the Tender Agent in connection with any optional or mandatory tender for purchase pursuant to the Indenture hereof shall be effected by physical delivery of such Bond to the Tender Agent at its Principal Office, by 1:00 p.m. (New York City time) on the Purchase Date, accompanied by an instrument of transfer thereof, in a form satisfactory to the Tender Agent, executed in blank by the Holder thereof with the signature of such Holder guaranteed in accordance with the guidelines set forth by one of the nationally recognized medallion signature programs.

Series 2026B Bonds Deemed Purchased.

If moneys sufficient to pay the Purchase Price of Series 2026B Bonds to be purchased pursuant to the Indenture shall be held by the Tender Agent hereunder on the date and at the time such Series 2026B Bonds are to be purchased, such Series 2026B Bonds shall be deemed to have been purchased for all purposes of the Indenture, irrespective of whether or not such Series 2026B Bonds shall have been delivered to the Tender Agent, and neither the former Holder of such Series 2026B Bonds nor any other person shall have any claim thereon, under the Indenture or otherwise, for any amount other than the Purchase Price thereof.

In the event of non-delivery of any Series 2026B Bond to be purchased pursuant to the Indenture, the Tender Agent shall segregate and hold uninvested the moneys for the Purchase Price of such Series 2026B Bonds in trust, without liability for interest thereon, for the benefit of the former Holders of such Series 2026B Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Purchase Price of such Series 2026B Bonds. Any moneys which the Tender Agent shall segregate and hold in trust for the payment of the Purchase Price of any Series 2026B Bond and remaining unclaimed for two (2) years after the date of purchase shall be paid, upon the Trustee's written request, to the Trustee. After the payment of such unclaimed moneys to the Trustee, the former Holder of such Bond shall look only to the Trustee for the payment thereof.

Bond Purchase Fund. There shall be created and established with the Tender Agent for the Series 2026B Bonds a separate trust fund designated the “California State University Bonds Purchase Fund” (the “Bond Purchase Fund”). There shall also be created and established three separate accounts in the Bond Purchase Fund designated the “Remarketing Account,” the “Credit Agreement Purchase Account,” and the “Redemption Account.” The Tender Agent shall create and maintain separate subaccounts within each account referred to in the previous sentence for each Subseries of Series 2026B Bonds supported by a separate Credit Agreement, if any, and remarketed by a different Remarketing Agent.

Remarketing Account. All moneys received by the Tender Agent on behalf of purchasers of the Series 2026B Bonds shall be; (i) deposited in the appropriate subaccount in the Remarketing Account within the Bond Purchase Fund, (ii) held in trust in accordance with the provisions of the Indenture and (iii) paid out in accordance with the Indenture.

Credit Agreement Purchase Account. All moneys received by the Tender Agent as payments under any Credit Agreement for the purchase of Series 2026B Bonds shall be (i) deposited in the appropriate subaccount in the Credit Agreement Purchase Account within the Bond Purchase Fund, (ii) held in trust in accordance with the provisions hereof and (iii) paid out in accordance with the Indenture.

Redemption Account. All moneys received by the Tender Agent from the Trustee for the redemption of Series 2026B Bonds shall be (i) deposited in the appropriate subaccount in the Redemption Account within the Bond Purchase Fund, (ii) held in trust in accordance with the provisions hereof and (iii) paid out in accordance with the Indenture.

The moneys in the Bond Purchase Fund for any Subseries of Series 2026B Bonds shall be used solely to acquire or redeem Series 2026B Bonds of such Subseries as provided herein (or to reimburse the Credit Providers, if any, for payments made under the Credit Agreement for such purpose) and may not be used for any other purposes except as otherwise permitted by the Indenture. All amounts held in the Bond Purchase Fund and the Credit Agreement Purchase Account, Remarketing Account and Redemption Account therein for Series 2026B Bonds shall be held uninvested and in trust by the Tender Agent for the benefit of the Holders of tendered the Series 2026B Bonds (provided that any amounts held in a Remarketing Account which are derived from the remarketing of Credit Provider Bonds shall be held in trust for the benefit of the Credit Provider entitled thereto).

Deposit of Series 2026B Bonds. The Tender Agent agrees to accept and hold all Series 2026B Bonds delivered to it pursuant to the Indenture in trust for the benefit of the respective Bondholders which shall have so delivered such Series 2026B Bonds until the Purchase Price of such Series 2026B Bonds shall have been delivered to or for the account of or to the order of such Holders in accordance with the Indenture. Any Series 2026B Bonds registered for transfer to new purchasers and delivered to the Tender Agent shall be held in trust by the Tender Agent for the benefit of such new purchasers until delivery to such new purchasers.

Deposits into Remarketing Account and Redemption Account.

The terms of any sale by a Remarketing Agent of tendered Series 2026B Bonds shall provide for the payment of the Purchase Price for tendered Series 2026B Bonds by the Remarketing Agent to the Tender Agent for deposit in the Remarketing Account of the Bond Purchase Fund in immediately available funds on the Purchase Date. The Remarketing Agent shall cause to be paid to the Tender Agent on each Purchase Date for tendered Series 2026B Bonds all amounts representing proceeds of the remarketing of such Series 2026B Bonds.

With respect to any mandatory tender for purchase of a Subseries of Series 2026B Bonds in a Term Rate Period, in the event sufficient remarketing or refunding proceeds are not available for the purchase of all then-Outstanding Series 2026B Bonds or portion thereof tendered or deemed tendered and required to be purchased on such mandatory purchase date, then: (i) no such purchase shall occur and the Tender Agent shall promptly return all Series 2026B Bonds tendered or deemed tendered to the Holders thereof together with notice of such insufficiency and the Tender Agent and the Remarketing Agent shall promptly return all remarketing proceeds to the persons providing such moneys without interest; (ii) the Term Rate Period then in effect will terminate on the day prior to such Term Rate Scheduled Mandatory Tender Date; (iii) a Term Rate Delayed Remarketing Period will commence on such Term Rate Scheduled Mandatory Tender Date and such failed purchase shall not constitute an Event of Default under the Indenture.

In connection with any mandatory tender for purchase of a Subseries of Series 2026B Bonds in a Term Rate Period or any Term Rate Delayed Remarketing Period which occurs on a date other than the applicable Term Rate Scheduled Mandatory Tender Date, in the event sufficient remarketing proceeds are not available for the purchase of all or such portion of the then-Outstanding Series 2026B Bonds required to be purchased on such date, then: (i) no such purchase shall occur and the Tender Agent shall promptly return all Series 2026B Bonds tendered or deemed tendered to the Bondholders thereof together with notice of such insufficiency and the Tender Agent and the Remarketing Agent shall promptly return all remarketing proceeds to the persons providing such moneys without interest; (ii) such Series 2026B Bonds shall continue to bear interest at the Term Rate or Term Rate Delayed Remarketing Period Rate, as applicable; and (iii) such failed purchase shall not constitute an Event of Default under the Indenture.

During a Term Rate Delayed Remarketing Period for such Series 2026B Bonds, the following will apply:

- i. All of the applicable Series 2026B Bonds will bear interest at the Term Rate Delayed Remarketing Period Rate applicable for such Term Rate Delayed Remarketing Period (not to exceed the Maximum Interest Rate);
- ii. The Remarketing Agent will continue to be obligated to remarket the Series 2026B Bonds.
- iii. The applicable Series 2026B Bonds will continue to be subject to optional redemption provided that notwithstanding anything to the contrary in the Indenture, the Trustee shall only be required to give five (5) Business Days' notice of such redemption to the Holders of the Series 2026B Bonds to be redeemed;
- iv. The applicable Series 2026B Bonds will continue to be subject to mandatory tender for purchase. The Trustee may, by notice to the Tender Agent and the Remarketing Agent, direct an adjustment to the Interest Rate Period for the Series 2026B Bonds in accordance with the Indenture; and
- v. If the Series 2026B Bonds are successfully remarketed, the Holders thereof will be obligated to tender, sell and deliver their Series 2026B Bonds to the Trustee.

During the Term Rate Delayed Remarketing Period for a Subseries of Series 2026B Bonds, on each Business Day the Remarketing Agent will continue to use its best efforts to remarket all of such Series 2026B Bonds in such new Interest Rate Period as directed by the Board. Once the Remarketing Agent for such Series 2026B Bonds has advised the Trustee and the Tender Agent of its ability to remarket all of the applicable then-Outstanding Series 2026B Bonds into the then directed Interest Rate Period, the Trustee will establish a new mandatory tender date and will give notice by Electronic Means to the Holders of such Series 2026B Bonds not less than five (5) Business Days prior to the date on which such Series 2026B Bonds are to be purchased, which notice shall state: (i) the Interest Rate Period applicable to such Series 2026B Bonds from and after the Purchase Date; (ii) that such Series 2026B Bonds will be subject to mandatory tender for purchase and specifying the date such purchase shall occur; (iii) the procedures for such mandatory tender for purchase; (iv) the Purchase Price of such Series 2026B Bonds to be purchased and (v) the consequences of a failed remarketing.

If notwithstanding such notice from the Remarketing Agent, there are insufficient remarketing proceeds to pay the Purchase Price of all of the then-Outstanding Series 2026B Bonds on the purchase date so noticed, all of the applicable Series 2026B Bonds will be returned to the Bondholders and any remarketing proceeds will be returned to the persons who paid such moneys, all in the same manner as for a failure of remarketing on the related Term Rate Scheduled Mandatory Tender Date pursuant to the Indenture, and the Term Rate Delayed Remarketing Period will continue, with the provisions for calculating the interest rate relating back to such Term Rate Scheduled Mandatory Tender Date.

The Term Rate Delayed Remarketing Period for a Subseries of Series 2026B Bonds, will terminate on the day prior to the first to occur of (i) the purchase of all of the Subseries of Series 2026B Bonds pursuant to the Indenture, or (ii) the date on which all of the applicable Series 2026B Bonds are redeemed in accordance with the Indenture or all principal of and interest on the Series 2026B Bonds are otherwise paid in full.

Disbursements from the Bond Purchase Fund.

Application of Moneys. Moneys in the Bond Purchase Fund (other than the proceeds of any remarketing of Credit Provider Bonds, if any, which shall be paid to the applicable Credit Provider on the remarketing date) shall be applied at or before 3:00 p.m. (New York City time) to the purchase or redemption of Series 2026B Bonds of the applicable Subseries as provided herein by the Tender Agent, on each Purchase Date or date fixed for redemption as applicable, as follows:

First -- Moneys constituting funds in the Remarketing Account shall be used by the Tender Agent on any Purchase Date to purchase tendered Series 2026B Bonds of the applicable Series at the Purchase Price.

Second -- In the event such moneys in the Remarketing Account on any Purchase Date are insufficient to purchase all tendered Series 2026B Bonds of the applicable Subseries, if a Credit Agreement is in place, moneys in the Credit Agreement Purchase Account on such Purchase Date shall be used by the Tender Agent at that time to purchase such remaining tendered Series 2026B Bonds at the Purchase Price thereof.

Third -- Except as provided in the Indenture, in the event such moneys in the Remarketing Account and the Credit Agreement Purchase Account, if any, on any Purchase Date are insufficient to purchase all tendered Series 2026B Bonds of the applicable Subseries, moneys in the Redemption Account on such Purchase Date, if any, shall be used by the Tender Agent at that time to redeem such remaining tendered Series 2026B Bonds pursuant to the Indenture.

Fourth -- Moneys in the Redemption Account shall be used by the Tender Agent to pay the redemption price, plus unpaid and accrued interest to the date fixed for redemption, of Series 2026B Bonds redeemed in accordance with the Indenture.

Notwithstanding anything to the contrary in this Section, if the Series 2026B Bonds are Book-Entry Series 2026B Bonds, payment of the Purchase Price for tendered Series 2026B Bonds or redemption price shall be made in accordance with the rules and procedures of DTC.

Appointment, Duties and Qualifications of Tender Agents.

The Board is authorized and directed to appoint one or more Tender Agents and to enter into Tender Agent Agreements governing the duties and responsibilities of the Tender Agent. The Tender Agent may also act as paying agent for the Series 2026B Bonds. During a Term Rate Period and any Term Rate Delayed Remarketing Period, the Trustee may act as paying agent for the Series 2026B Bonds. The Board may elect not to have a Tender Agent in place for a Series or Subseries of Series 2026B Bonds during a Term Rate Period, provided, however, the Board shall select the initial Tender Agent for a Series or Subseries of Series 2026B Bonds no later than 60 days prior to the last day of the applicable Initial Rate Period and for any subsequent Term Rate Period for a Series or Subseries of Series 2026B Bonds no later than 60 days prior to the related Term Rate Scheduled Mandatory Tender Date.

Board may remove said firm as Tender Agent and appoint one or more successors thereto (which shall be a commercial bank or trust company). All Series 2026B Bonds validly authenticated and delivered by the Tender Agent prior to its removal, and the authority granted to the Tender Agent with respect to the payment of such Series 2026B Bonds, shall be valid obligations notwithstanding such removal.

The Tender Agent may resign by notifying the Board, the Trustee, the Credit Providers, the Remarketing Agents and the Bondholders at least 30 days before the effective date of such resignation. The Board may remove the Tender Agent and appoint a successor by notifying the Tender Agent, the Remarketing Agents, the Trustee and each Credit Provider and obtaining the consent of each Credit Provider (which consents shall not be unreasonably withheld). No resignation or removal shall be effective until the successor has delivered an acceptance of its appointment to the Board, the Trustee and the predecessor Tender Agent.

Appointment, Duties and Qualifications of Remarketing Agents.

The Board is authorized and directed to appoint one or more Remarketing Agents for the Series 2026B Bonds, subject to the conditions of the Indenture. Each such Remarketing Agent shall be a bank, trust company or member of the Financial Industry Regulatory Authority (formerly National Association of Securities Dealers, Inc.) organized and doing business under the laws of any state of the United States of America or the District of Columbia. The Board shall select the initial Remarketing Agent for a Subseries of Series 2026B Bonds no later than 60 days prior to the last day of the applicable Initial Rate Period and for any subsequent SIFMA Rate Period or Term Rate Period for a Subseries of Series 2026B Bonds no later than 60 days prior to the related SIFMA Scheduled Mandatory Tender Date or Term Rate Scheduled Mandatory Tender Date, as applicable.

The Board may at any time remove any Remarketing Agent. The Remarketing Agent, or any successor Remarketing Agent, may at any time resign by giving at least 30 days' prior notice by Electronic Means of such resignation

as required by the Indenture, provided, however, that the Remarketing Agent may not be removed or resign unless a new Remarketing Agent has been designated to replace the Remarketing Agent pursuant to the Remarketing Agreement, effective at the time of such removal or resignation, subject to the Indenture and the Remarketing Agreement.

Maintenance of Tender Agent. Subject to the Indenture, so long as a Series or Subseries of Series 2026B Bonds is Outstanding and bears interest at a Daily Rate, Weekly Rate, Flexible Rate, Term Rate, Term Rate Delayed Remarketing Period Rate, Applicable SIFMA-Based Interest Rate or SIFMA Delayed Remarketing Period Rate, the Board will at all times maintain a Tender Agent for such Series 2026B Bonds. Notwithstanding the foregoing, the Board shall select the initial Tender Agent for a Series or Subseries of Series 2026B Bonds no later than 60 days prior to the last day of the applicable Initial Rate Period and for any subsequent Term Rate Period for a Series or Subseries of Series 2026B Bonds no later than 60 days prior to the related Term Rate Scheduled Mandatory Tender Date.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated _____, 2026 (the “Disclosure Certificate”) is executed and delivered by the Trustees of the California State University (the “Board”) in connection with the issuance of \$_____ principal amount of the Trustees of the California State University Systemwide Revenue Bonds, Series 2026A, \$_____ principal amount of the Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-1, \$_____ principal amount of the Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-2 and \$_____ principal amount of the Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-3 (collectively, the “Bonds”). The Bonds are being issued pursuant to an Indenture, dated as of April 1, 2002, as supplemented, including by a Forty-Third Supplemental Indenture and a Forty-Fourth Supplemental Indenture, each dated as of July 1, 2026 (collectively, the “Indenture”), by and between the Board and the Treasurer of the State of California, as trustee (the “Trustee”). The Board covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is executed for the benefit of the Holders and Beneficial Owners (as defined below) of the Bonds from time to time, but shall not be deemed to create any monetary liability on the part of the Board to any other persons, including Holders or Beneficial Owners of the Bonds based on the Rule (as defined below). The sole remedy in the event of any failure of the Board to comply with this Disclosure Certificate shall be an action to compel performance of any act required hereunder.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report filed by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Board, or any successor Dissemination Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall have the meaning given thereto in Section 4(2) of this Disclosure Certificate.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Board shall, or shall cause the Dissemination Agent to, not later than January 1 of each year in which the Bonds are Outstanding, commencing January 1, 2027, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Board with respect to the Gross Revenues (as defined in the Indenture) may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if such financial statements are not available by that date. If the Board's fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Board shall provide the Annual Report to the Dissemination Agent (if other than the Board). If the Board is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Board shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Board) file a report with the Board certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The Board's Annual Report shall contain or include by reference the following:

(1) The audited financial statements of the Board with respect to the Gross Revenues (as defined in the Indenture) for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board or the Government Accounting Standards Board, as may then be applicable in the judgment of the Board. If these audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements for the prior fiscal year, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(2) The Board's Annual Reports shall contain updates or changes to certain information contained in Appendix A of the Official Statement relating to the Bonds dated _____, 2026 (the "Official Statement") concerning the immediately preceding fiscal year, as follows:

(i) in Tables 1, 6, 8 and under the column entitled "Total Systemwide Revenue Bonds" in Table 9 (including information regarding debt service on any debt secured on a parity with the Bonds);

(ii) under the caption "SYSTEMWIDE REVENUE BOND PROGRAMS – Housing Program – Capacity and Occupancy" pertaining to the design capacity and occupancy rate of the Housing Program;

(iii) under the caption "SYSTEMWIDE REVENUE BOND PROGRAMS – Student Union Program – Rates and Charges" pertaining to the range of student body center fees per student; and

(iv) under the caption "SYSTEMWIDE REVENUE BOND PROGRAMS – Health Center Facilities Program" pertaining to the amount of the health center facility fee and the campuses of the California State University system at which such fee is imposed.

(3) Information regarding the issuance by the Board of any debt secured on a parity with the Bonds since the date of the last Annual Report.

(4) Information regarding any amendments to the Indenture made since the date of the last Annual Report.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Board or related public entities, which have been made available to the public on the MSRB's website. The Board shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Board shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Board shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or

8. Incurrence of a Financial Obligation of the Board, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Board, any of which affect security holders.

(c) Whenever the Board obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Board shall determine if such event would be material under applicable federal securities laws.

(d) If a Listed Event described in Section 5(a) has occurred, or if the Board determines that a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Board shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Section (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Indenture.

(e) The Board intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination. The Board’s reporting obligations under this Disclosure Certificate with respect to any particular Bond shall terminate upon the legal defeasance, prior redemption or payment in full of such Bond. The Board’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Board shall give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Board pursuant to this Disclosure Certificate.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Board shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the

presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event or other notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Annual Report or notice of occurrence of a Listed Event or other notice in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the Board to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Board to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Board agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise of performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Trustee, the Dissemination Agent, each Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the Board has caused this Disclosure Certificate to be executed by its authorized representative as of the date first above written.

TRUSTEES OF THE CALIFORNIA STATE
UNIVERSITY

By: _____
Authorized Representative

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Trustees of the California State University

Name of Bond Issue: Trustees of the California State University Systemwide Revenue Bonds, Series 2026A and Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-1, Series 2026B-2 and Series 2026B-3

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the Trustees of the California State University (the "Board") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate executed and delivered by the Board with respect to the above-named Bonds. [The Board anticipates that the Annual Report will be filed by _____.]

Dated: _____

TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY

Authorized Representative

APPENDIX F

FORM OF BOND COUNSEL OPINION

Upon delivery of the Series 2026 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Board, proposes to render its final approving opinion with respect to the Series 2026 Bonds in substantially the following form:

[Closing Date]

Trustees of the California State University
Long Beach, California

Trustees of the California State University
Systemwide Revenue Bonds
Series 2026A, Series 2026B-1, Series 2026B-2 and Series 2026B-3
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Trustees of the California State University (the “Issuer”) in connection with the issuance of \$_____ aggregate principal amount of Trustees of the California State University Systemwide Revenue Bonds, Series 2026A, \$_____ aggregate principal amount of Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-1, \$_____ aggregate principal amount of Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-2 and \$_____ aggregate principal amount of Trustees of the California State University Systemwide Revenue Bonds, Series 2026B-3 (collectively, the “Series 2026 Bonds”), issued pursuant to The State University Revenue Bond Act of 1947 of the State of California, as amended, and an Indenture dated as of April 1, 2002, as supplemented, including by a Forty-Third Supplemental Indenture and a Forty-Fourth Supplemental Indenture, each dated as of July 1, 2026 (collectively, the “Indenture”), between the Issuer and the Treasurer of the State of California, as trustee (the “State Treasurer”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate of the Issuer, dated the date hereof (the “Tax Certificate”), the opinion of counsel to the Issuer, certificates of the Issuer, the State Treasurer and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Series 2026 Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Series 2026 Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Series 2026 Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency,

receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against agencies of the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2026 Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2026 Bonds constitute the valid and binding special obligations of the Issuer payable from Gross Revenues and other amounts pledged under the Indenture, subject to the terms of the Indenture. The Issuer is not obligated to pay the principal of or interest on the Series 2026 Bonds except from such Gross Revenues and any other amounts pledged under the Indenture, subject to the terms of the Indenture.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Series 2026 Bonds, of the Gross Revenues and amounts held by the State Treasurer in any fund or account established pursuant to the Indenture, except the Rebate Fund, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

3. The Series 2026 Bonds are not a lien, charge or liability against the State of California, or against the Issuer or against the property or funds of either, except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2026 Bonds. The Series 2026 Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.

4. Interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Series 2026 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Series 2026 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026 Bonds.

Faithfully yours,

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”) will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to

Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Trustee, on payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2026 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2026 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2026 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2026 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2026 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2026 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical Series 2026 Bonds are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical Series 2026 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

APPENDIX H

PROJECTS FINANCED AND BONDS TO BE REFUNDED WITH SERIES 2026 BONDS

New Money and Commercial Paper Projects to be Funded by Series 2026A Bonds*

<i>University, Project</i>	<i>Allocation of Principal of Series 2026A Bonds</i>
2023-2024 Facility, Infrastructure and Housing Projects	\$
California Polytechnic State University, San Luis Obispo Football Center	
California Polytechnic State University, San Luis Obispo Student Housing, Phase 1	
California State University, Stanislaus Residence Life Village IV	
San José State University Spartan Village on the Paseo Acquisition	
California Polytechnic State University, San Luis Obispo Student Success Center	
California State University, Monterey Bay – University Corporation at Monterey Bay Gavilan Hall Housing Renovation Project	
California State University, Long Beach University Student Union Renovation and Expansion	
San Diego State University – Aztec Shops, Ltd., Evolve Student Housing, Phase 2	
SUBTOTAL	<hr/> \$

*Preliminary, subject to change.

Subject to final determination in connection with the pricing of the Series 2026 Bonds, the Board has identified potential refunding candidates of outstanding bonds to be refunded by the Series 2026 Bonds, as shown below. The tables are not intended to be a definitive list of the Bonds to be Refunded. The Bonds to be Refunded will be selected based upon market conditions, bond structure, and other factors at the time of pricing. Selection of the Bonds to be Refunded is at the sole and absolute discretion of Board. See “PLAN OF FINANCE – Refunding Plan” in the forepart of this Official Statement.

The final payment dates of the Bonds to be Refunded will be their respective stated maturity dates or, if earlier, designated redemption dates, as shown in the table below.

Systemwide Revenue Bonds to Be Refunded by Series 2026A Bonds*

<i>Series</i>	<i>Principal to be Refunded</i>	<i>Expected Redemption Date</i>	<i>Redemption Price</i>	<i>CUSIP** (Base)</i>
Systemwide Revenue Bonds, Series 2010B (Taxable – Build America Bonds)	\$193,360,000	_____, 2026	_____%***	13077C
Systemwide Revenue Bonds, Series 2016A	\$853,760,000	_____, 2026	100%	13077C

Systemwide Revenue Bonds to Be Refunded by Series 2026B Bonds*

<i>Series</i>	<i>Principal to be Refunded</i>	<i>Expected Redemption Date</i>	<i>Redemption Price</i>	<i>CUSIP** (Base)</i>
Systemwide Revenue Bonds, Series 2016B-1, Series 2016B-2 and Series 2016B-3	\$250,000,000	_____, 2026	100%	13077C

* Preliminary, subject to change. The preliminary aggregate principal amount of Systemwide Revenue Bonds, Series 2026 reflected in this Official Statement assumes the refunding in full of such portion of the outstanding (i) Systemwide Revenue Bonds, Series 2010B (Taxable – Build America Bonds), (ii) Systemwide Revenue Bonds, Series 2016A and (iii) Systemwide Revenue Bonds, Series 2016B listed in the tables above.

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*** The redemption price for the Series 2010B (Taxable – Build America Bonds) is expected to be the Extraordinary Redemption Price, which is expected to be determined on or around the pricing date(s) of the Series 2026 Bonds. A redemption notice given in respect of any Series 2010B Bonds (Taxable – Build America Bonds) to be redeemed is expected to include the Extraordinary Redemption Price.

APPENDIX I
LETTERS FROM UNDERWRITERS

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June 11, 2026

Mr. Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California
915 Capital Mall, Room 261
Sacramento, CA 95814

CC: Ms. Rosa Renaud
Director, Long Term Finance
California State University - Financing and Treasury
401 Golden Shore, 5th Floor
Long Beach, CA 90802

Re: Trustees of the California State University
Systemwide Revenue Bonds, Series 2026A and Series 2026B (the "Bonds")

Dear Mr. Fowler & Ms. Renaud,

Academy Securities, Inc., a Co-Managing Underwriter of the Bonds, intends to enter into Third-Party Distribution Agreements with InspereX LLC and Essex Securities LLC for the retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to these Third-Party Distribution Agreements (if applicable for this transaction), Academy Securities, Inc. may share a portion of its underwriting compensation with these firms.

ACADEMY SECURITIES, INC.

June 1, 2026

State of California
Office of the State Treasurer

Attn: Blake Fowler

Re: Trustees of the California State University
Systemwide Revenue Bonds, Series 2026A and Series 2026B (the "Bonds")

Dear Mr. Fowler:

BofA Securities, Inc. is providing the following language for inclusion in the Official Statement:

BofA Securities, Inc., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Sincerely,

BofA Securities, Inc.

CC: Rosa Renaud, California State University

J.P.Morgan

June 1, 2026

Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California

Re: Trustees of the California State University
Systemwide Revenue Bonds, Series 2026A and Series 2026B

Dear Mr. Fowler:

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into a negotiated dealer agreement (the "Dealer Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Dealer Agreement, CS&Co. will purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

J.P. MORGAN SECURITIES LLC

CC: Rosa Renaud, *California State University*

Morgan Stanley

June 15, 2026

Attn: Blake Fowler
California State Treasurer's Office

CC: Rosa Renaud
California State University

Re: Trustees of the California State University Systemwide Revenue Bonds, Series 2026A
and Series 2016B (the "Bonds")

Dear Blake:

Morgan Stanley & Co. LLC is providing the following language for inclusion in the Official Statement:

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC



Capital
Markets

RBC Capital Markets, LLC
Municipal Finance
555 South Flower Street, Suite 820
Los Angeles, CA
Telephone: 213.362.4126

June 1, 2026

Attn:

Mr. Blake Fowler, Director of Public Finance
Office of the Treasurer of the State of California
901 P Street, 3rd Floor
Sacramento, CA 95814

CC:

Rosa Renaud, Director, Long Term Finance
California State University
401 Golden Shore
Long Beach, CA 90802

Re: Trustees of the California State University Systemwide Revenue Bonds, Series 2026A and Series 2026B

Dear Mr. Fowler and Ms. Renaud:

RBC Capital Markets is providing the following language for inclusion in the Official Statement.

RBCCM has entered into a distribution arrangement with its affiliate RBC Securities, Inc. (RBC Securities) (formerly known as City National Securities, Inc). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, RBCCM may compensate RBC Securities for its selling efforts with respect to the Bonds.

Sincerely,

RBC Capital Markets, LLC

June 2, 2026

Mr. Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California
901 P Street, Suite 313-A
Sacramento, CA 95814

Re: Trustees of the California State University
Systemwide Revenue Bonds
Series 2026A and Series 2026B (the “Bonds”)

Dear Mr. Fowler (cc Ms. Renaud):

Wells Fargo Corporate & Investment Banking is providing the following language for inclusion in the Official Statement.

Wells Fargo Bank, National Association (“WFBNA”), acting through its Municipal Finance Group, an Underwriter of the Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as “CIB,” “Wells Fargo Securities” or “WFS”) is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association (“WFBNA”), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

