

California State University, Bakersfield Student Union

Financial Statements and Supplemental Information

Years Ended June 30, 2018 and 2017



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION
Financial Statements and Supplemental Information
Years Ended June 30, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University, Bakersfield Student Union

We have audited the accompanying financial statements of California State University, Bakersfield Student Union (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Bakersfield Student Union as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, which is the responsibility of management, included on pages 11 – 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked “unaudited,” was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked “unaudited” has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Aldrich CPAs + Advisors LLP

San Diego, California
September 13, 2018

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Statements of Financial Position**

June 30, 2018 and 2017

ASSETS	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash	\$ 2,486,378	\$ 1,243,164
Due from related parties	20,219	92,948
Other current assets	<u>59,289</u>	<u>32,319</u>
Total Current Assets	2,565,886	1,368,431
Property and equipment, net of accumulated depreciation	<u>823,580</u>	<u>935,706</u>
Total Assets	<u>\$ 3,389,466</u>	<u>\$ 2,304,137</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 185,019	\$ 70,224
Due to related parties	<u>408,425</u>	<u>148,796</u>
Total Current Liabilities	593,444	219,020
Net Assets - Unrestricted	<u>2,796,022</u>	<u>2,085,117</u>
Total Liabilities and Net Assets	<u>\$ 3,389,466</u>	<u>\$ 2,304,137</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Statements of Activities**

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted Revenue and Other Support:		
Student fees	\$ 3,214,541	\$ 3,026,971
In-kind contribution	1,395,270	1,395,270
Other	273,389	130,161
Facility rental	199,341	203,583
Membership fees	67,972	70,927
Contracted space rentals	<u>27,230</u>	<u>26,206</u>
Total Unrestricted Revenue and Other Support	5,177,743	4,853,118
Expenses:		
Program services	3,243,972	3,151,230
General and administrative	<u>1,222,866</u>	<u>1,091,155</u>
Total Expenses	<u>4,466,838</u>	<u>4,242,385</u>
Change in Net Assets	710,905	610,733
Net Assets - Unrestricted, beginning	<u>2,085,117</u>	<u>1,474,384</u>
Net Assets - Unrestricted, ending	<u>\$ 2,796,022</u>	<u>\$ 2,085,117</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Statements of Cash Flows**

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 710,905	\$ 610,733
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	169,612	147,893
Changes in operating assets and liabilities:		
Due from related parties	72,729	(78,502)
Other current assets	(26,970)	(30,309)
Accounts payable	114,795	(21,590)
Due to related parties	259,629	(66,464)
	<u>1,300,700</u>	<u>561,761</u>
Net Cash Provided by Operating Activities	1,300,700	561,761
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	<u>(57,486)</u>	<u>(346,887)</u>
	1,243,214	214,874
Net Increase in Cash	1,243,214	214,874
Cash, beginning	<u>1,243,164</u>	<u>1,028,290</u>
Cash, ending	<u>\$ 2,486,378</u>	<u>\$ 1,243,164</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield Student Union (Organization) was incorporated in the State of California on March 9, 1994, and opened its facility in May 1994. In May 2009, the Organization opened its Student Recreation Center. The Organization was formed and operates as a non-profit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University). The Organization operates a student union facility to enhance the quality of the student experience through the development of and exposure to, campus programs, activities, and organizations in a student-centered environment. The Organization's primary source of revenue is student fees that have been remitted to CSU Bakersfield.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Organization had no temporarily or permanently restricted net assets during the years ended June 30, 2018 and 2017.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2018 and 2017 and therefore no amounts have been accrued.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of 3 to 10 years.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Organization has evaluated subsequent events through September 13, 2018, which is the date the financial statements were available to be issued.

Note 2 – Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. As of June 30, 2018, the Organization had approximately \$2,208,803 that was exposed to uninsured deposit risk. The Organization manages this risk by using high-quality financial institutions.

Note 3 – Property and Equipment

Property and equipment consist of the following:

	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$ 1,010,825	\$ 1,010,825
Equipment	729,698	688,592
Construction in progress	16,380	-
	<u>1,756,903</u>	<u>1,699,417</u>
Less accumulated depreciation	<u>(933,323)</u>	<u>(763,711)</u>
	<u>\$ 823,580</u>	<u>\$ 935,706</u>

Note 4 – Student Union Fees

In November 1992, CSU, Bakersfield issued bonds to finance the construction, repair and maintenance of the Student Union building. As specified in the bond resolution, the bonds are secured by the future revenue streams generated by the Student Union, therefore student fees are remitted to service the bonds. Section 5.02(d) of the Bond Resolution provides authorization for surplus fees (as defined) to be remitted to the Student Union for purpose of operating the Student Union. In accordance with the Bond Resolution, the Student Union received student fees in the amounts of \$3,214,541 and \$3,026,971 for the years ending June 30, 2018 and 2017, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 5 – Operating Leases

The Organization leases office spaces to various organizations under non-cancellable agreements through June 2019. Those leases require monthly payments ranging from \$525 to \$2,184. The Organization also leases office spaces to various organizations on a year-to-year basis.

Minimum future lease payments to be received as of June 30, 2018 were due as follows:

Year Ending June 30,	
<u>2019</u>	\$ 43,135
Thereafter	<u>-</u>
	<u>\$ 43,135</u>

Note 6 – Commitments/In-Kind Contributions

The Organization leases the campus union facility and the recreation center facility under a non-cancelable operating agreement and lease from the Trustees of the California State University. The lease expires on June 30, 2019. In exchange for managing and operating the campus union and recreation center facilities, the Student Union pays no rent. The estimated fair market value of this rent is \$1,395,270 for the years ended June 30, 2018 and 2017 and has been recognized as an in-kind contribution and an operating expense in the statements of activities.

In addition, the Student Union has entered into various agreements for the maintenance of facilities and equipment under non-cancelable agreements through May 2021, including one with the University.

Minimum future payments as of June 30, 2018 were due as follows:

Year Ending June 30,	
<u>2019</u>	\$ 56,900
2020	48,750
2021	4,500
Thereafter	<u>-</u>
	<u>\$ 110,150</u>

Total rental expense was \$1,481,458 and \$1,453,050 for the years ended June 30, 2018 and 2017, respectively.

Note 7 – Related Party Transactions

The Organization's salaries are paid by the University and billed to the Organization. Accounting and other services are provided to the Organization by the University. The Organization has a non-cancelable agreement with the University for the University to provide custodial services to the Organization for \$15,879 per month which expired June 30, 2018. The Organization and the University are currently in the process of renegotiating this contract. Additionally, the Organization has a non-cancelable agreement with the University for the University to provide landscape maintenance services to the Organization for \$11,160 annually through June 30, 2018.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 7 – Related Party Transactions, continued

California State University, Bakersfield Foundation (Foundation) functions to benefit the student body of the University by operating various campus programs. The Organization pays the University and/or the Foundation for these services as provided by the student body.

Associated Students, California State University, Bakersfield, Inc. (Associated Students) functions to benefit the student body of the University by operating various campus programs. The Organization pays the Associated Students for these services as provided by the student body.

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Sponsored Programs Administration) functions to benefit the student body of the University by administering grants on behalf of the campus. The Organization provides program services for student services for the Children's Center. The Organization pays the Sponsored Programs Administration for these services as provided by the student body.

Associated Students and the University lease office space from the Organization (See Note 5).

Transactions as of and for the years ended June 30, 2018 and 2017 with related parties are reflected in the accompanying financial statements.

	<u>2018</u>	<u>2017</u>
Revenue:		
Cost Recoveries:		
University	\$ 3,256,449	\$ 3,089,133
Sponsored Programs Administration	1,260	15,563
Foundation	715	100,611
Associated Students	<u>28,214</u>	<u>26,206</u>
Total Cost Recoveries	3,286,638	3,231,513
Facility Rental:		
University	75,333	63,121
Sponsored Programs Administration	8,788	-
Foundation	6,104	-
Associated Students	<u>11,296</u>	<u>12,229</u>
Total Facility Rental	<u>101,521</u>	<u>75,350</u>
	<u>\$ 3,388,159</u>	<u>\$ 3,306,863</u>
Expense:		
Services from other agencies:		
University	\$ 2,250,262	\$ 2,267,088
Foundation	16,060	12,713
Associated Students	<u>15,146</u>	<u>1,000</u>
	<u>\$ 2,281,468</u>	<u>\$ 2,280,801</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2018 and 2017

Note 7 – Related Party Transactions, continued

	<u>2018</u>	<u>2017</u>
Due from related parties:		
University	\$ 18,505	\$ 2,298
Sponsored Programs Administration	45	540
Foundation	<u>1,669</u>	<u>90,110</u>
	<u>\$ 20,219</u>	<u>\$ 92,948</u>
Due to related parties:		
University	\$ 392,352	\$ 148,196
Foundation	8,632	600
Associated Students	<u>7,441</u>	<u>-</u>
	<u>\$ 408,425</u>	<u>\$ 148,796</u>

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION
Schedule of Expenses by Natural Classification
Year Ended June 30, 2018

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and taxes	\$ 960,792	\$ 549,856	\$ 1,510,648
Rent	1,395,270	1,349	1,396,619
Benefits	136,016	249,658	385,674
Utilities	302,128	21,610	323,738
Supplies	234,656	39,780	274,436
Depreciation	-	169,612	169,612
Insurance	-	134,999	134,999
Expendable equipment	70,192	-	70,192
Repairs and maintenance	56,596	-	56,596
Travel	39,299	-	39,299
Services from other agencies	-	28,500	28,500
Professional fees	-	21,247	21,247
Advertising	16,362	-	16,362
Conference and meetings	12,700	-	12,700
Dues and subscriptions	10,764	-	10,764
Telephone	5,641	2,172	7,813
Printing and publications	3,556	4,083	7,639
	<u>3,243,972</u>	<u>1,222,866</u>	<u>4,466,838</u>
Total Expenses	\$ <u>3,243,972</u>	\$ <u>1,222,866</u>	\$ <u>4,466,838</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2017

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and taxes	\$ 937,093	\$ 472,854	\$ 1,409,947
Rent	1,395,270	1,422	1,396,692
Benefits	135,790	226,443	362,233
Utilities	292,875	25,837	318,712
Supplies	199,070	40,404	239,474
Depreciation	-	147,893	147,893
Professional fees	-	109,447	109,447
Repairs and maintenance	83,502	-	83,502
Expendable equipment	36,308	-	36,308
Insurance	-	34,647	34,647
Travel	31,780	-	31,780
Services from other agencies	-	28,000	28,000
Advertising	14,445	-	14,445
Telephone	5,830	3,210	9,040
Conference and meetings	8,195	-	8,195
Dues and subscriptions	7,095	-	7,095
Printing and publications	3,977	998	4,975
	<hr/>	<hr/>	<hr/>
Total Expenses	\$ <u>3,151,230</u>	\$ <u>1,091,155</u>	\$ <u>4,242,385</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Schedule of Activities by Fund**

Year Ended June 30, 2018

	Student Union	Student Recreation Center	Total
Unrestricted Revenue and Other Support:			
Student fees	\$ 829,398	\$ 2,385,143	\$ 3,214,541
In-kind contribution	268,320	1,126,950	1,395,270
Other	29,665	243,724	273,389
Facility rental	108,529	90,812	199,341
Membership fees	-	67,972	67,972
Contracted space rentals	27,230	-	27,230
	<u>1,263,142</u>	<u>3,914,601</u>	<u>5,177,743</u>
Total Unrestricted Revenue and Other Support			
Expenses:			
Program services	372,216	2,871,756	3,243,972
General and administrative	731,904	490,962	1,222,866
	<u>1,104,120</u>	<u>3,362,718</u>	<u>4,466,838</u>
Total Expenses			
Change in Net Assets	159,022	551,883	710,905
Net Assets - Unrestricted, beginning	<u>732,996</u>	<u>1,352,121</u>	<u>2,085,117</u>
Net Assets - Unrestricted, ending	<u>\$ 892,018</u>	<u>\$ 1,904,004</u>	<u>\$ 2,796,022</u>

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Schedule of Activities by Fund**

Year Ended June 30, 2017

	Student Union	Student Recreation Center	Total
Unrestricted Revenue and Other Support:			
Student fees	\$ 792,128	\$ 2,234,843	\$ 3,026,971
In-kind contribution	268,320	1,126,950	1,395,270
Other	2,624	127,537	130,161
Facility rental	105,236	98,347	203,583
Membership fees	-	70,927	70,927
Contracted space rentals	26,206	-	26,206
	<u>1,194,514</u>	<u>3,658,604</u>	<u>4,853,118</u>
Total Unrestricted Revenue and Other Support	1,194,514	3,658,604	4,853,118
Expenses:			
Program services	449,599	2,701,631	3,151,230
General and administrative	658,479	432,676	1,091,155
	<u>1,108,078</u>	<u>3,134,307</u>	<u>4,242,385</u>
Total Expenses	1,108,078	3,134,307	4,242,385
Change in Net Assets	86,436	524,297	610,733
Net Assets - Unrestricted, beginning	<u>646,560</u>	<u>827,824</u>	<u>1,474,384</u>
Net Assets - Unrestricted, ending	<u>\$ 732,996</u>	<u>\$ 1,352,121</u>	<u>\$ 2,085,117</u>

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Schedule of Student Union Revenue Bonds, Series A

Year Ended June 30, 2017

(Unaudited)

The Systemwide Revenue Bond (SRB) program was approved by the California State University Trustees in fiscal year 2003. This program provides funding for various construction projects, including student residence and dining hall facilities, continuing education buildings, student unions, parking facilities, health facilities, and auxiliary organization facilities for designated campuses with the System as specified by the individual bond documents. It is designed to provide lower cost debt and greater flexibility to finance revenue bond projects of the System. Rather than relying on specific pledged revenues to support specific debt obligations, this program pools several sources of revenue as the pledge for the revenue producing projects.

The University participates in the SRB program and its allocated share of outstanding SRB debt as of June 30, 2018 is \$20,443,669 which has been used to finance the Organization and Student Recreation Center. These assets are reported and depreciated on the University's financial statements.

SRB debt obligations of the University as of June 30, 2018 consist of the following:

Description	Interest Rate	Fiscal Year Maturity Date	Original Issue Amount	Amount Outstanding at June 30, 2018
Systemwide revenue bonds:				
Series 2012A (Student Union)	4.00-5.00%	2022/2023	\$ 895,000	\$ 495,000
Series 2016A (Student Union)	2.00-5.00%	2038/2039	17,040,000	17,020,000
			Total	17,515,000
			Unamortized bond premium	2,928,669
			Total SRB debt obligations	\$ 20,443,669

SRB debt principal obligations and related interest mature in the following fiscal years:

Year ending June 30:	Principal	Interest	Total
2019	\$ 570,000	\$ 810,000	\$ 1,380,000
2020	590,000	784,325	1,374,325
2021	620,000	755,025	1,375,025
2022	655,000	724,150	1,379,150
2023	685,000	691,175	1,376,175
2024-2028	3,365,000	2,966,375	6,331,375
2029-2033	4,320,000	2,010,750	6,330,750
2034-2038	5,470,000	858,700	6,328,700
2039	1,240,000	24,800	1,264,800
Total	\$ 17,515,000	\$ 9,625,300	\$ 27,140,300

The original capitalized cost of buildings, improvements, and equipment at completion of construction was recorded by the California State University. These assets are leased to the Organization. The lease, which expires June 30, 2019, provides no annual rental fee.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Schedule of Net Position

June 30, 2018

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 2,486,378
Short-term investments	—
Accounts receivable, net	20,219
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	59,289
Total current assets	2,565,886

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Capital lease receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	823,580
Other assets	—
Total noncurrent assets	823,580

Total assets	3,389,466
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Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
Total deferred outflows of resources	—

Liabilities:

Current liabilities:

Accounts payable	116,731
Accrued salaries and benefits	—
Accrued compensated absences, current portion	68,288
Unearned revenues	—
Capital lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	408,425
Total current liabilities	593,444

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	—

Total liabilities	593,444
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Deferred inflows of resources:

Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	—

Net Position:

Net investment in capital assets	823,580
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	1,972,442
Total net position	\$ 2,796,022

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2018

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	3,214,541
Scholarship allowances (enter as negative)		—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises, gross		567,932
Scholarship allowances (enter as negative)		—
Other operating revenues		<u>1,395,270</u>
Total operating revenues		<u>5,177,743</u>
Expenses:		
Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		4,297,226
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		—
Depreciation and amortization		<u>169,612</u>
Total operating expenses		<u>4,466,838</u>
Operating income (loss)		<u>710,905</u>
Nonoperating revenues (expenses):		
State appropriations, noncapital		—
Federal financial aid grants, noncapital		—
State financial aid grants, noncapital		—
Local financial aid grants, noncapital		—
Nongovernmental and other financial aid grants, noncapital		—
Other federal nonoperating grants, noncapital		—
Gifts, noncapital		—
Investment income (loss), net		—
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses) - excl. interagency transfers		—
Other nonoperating revenues (expenses) - interagency transfers		—
Net nonoperating revenues (expenses)		<u>—</u>
Income (loss) before other revenues (expenses)		710,905
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		710,905
Net position:		
Net position at beginning of year, as previously reported		2,085,117
Restatements		—
Net position at beginning of year, as restated		<u>2,085,117</u>
Net position at end of year	\$	<u><u>2,796,022</u></u>

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Other Information

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(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2018:

Portion of restricted cash and cash equivalents related to endowments	\$	—
All other restricted cash and cash equivalents		—
Total restricted cash and cash equivalents	\$	<u>—</u>

2.1 Composition of investments at June 30, 2018:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—	—
Money Market funds	—	—	—	—	—	—	—
Repurchase agreements	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	—	—	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—	—	—
Municipal bonds	—	—	—	—	—	—	—
U.S. agency securities	—	—	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—	—	—
Equity securities	—	—	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:							
Private equity (including limited partnerships)	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	—	—	—
Other external investment pools (excluding SWIFT)							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Less endowment investments (enter as negative number)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

2.2 Investments held by the University under contractual agreements at June 30, 2018:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018 :	—	—	—	—	—	—	—
---	---	---	---	---	---	---	---

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

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(for inclusion in the California State University)

2.3 Restricted current investments at June 30, 2018 related to:	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2018	\$ —

2.4 Restricted noncurrent investments at June 30, 2018 related to:	Amount
Endowment investment	\$ —
Scholarships	—
Inflation reserves	—
University projects	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2018	\$ —

2.5 Fair value hierarchy in investments at June 30, 2018:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—	—	—
Corporate bonds	—	—	—	—	—
Certificates of deposit	—	—	—	—	—
Mutual funds	—	—	—	—	—
Money Market funds	—	—	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	—	—	—	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	—	—	—	—	—

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

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3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	16,380	—	—	16,380
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	16,380	—	—	16,380
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	418,870	—	—	418,870	—	—	—	418,870
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	591,955	—	—	591,955	—	—	—	591,955
Personal property:								
Equipment	688,592	—	—	688,592	41,106	—	—	729,698
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	1,699,417	—	—	1,699,417	41,106	—	—	1,740,523
Total capital assets	1,699,417	—	—	1,699,417	57,486	—	—	1,756,903
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	(122,666)	—	—	(122,666)	(41,887)	—	—	(164,553)
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(238,032)	—	—	(238,032)	(54,427)	—	—	(292,459)
Personal property:								
Equipment	(403,013)	—	—	(403,013)	(73,298)	—	—	(476,311)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(763,711)	—	—	(763,711)	(169,612)	—	—	(933,323)
Total capital assets, net	\$ 935,706	—	—	935,706	(112,126)	—	—	823,580

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3.2 Detail of depreciation and amortization expense for the year ended June 30, 2018:

Depreciation and amortization expense related to capital assets	\$ 169,612
Amortization expense related to other assets	—
Total depreciation and amortization	<u>\$ 169,612</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
Accrued compensated absences	\$ 52,953	—	—	52,953	41,060	(25,725)	68,288	68,288	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capital lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capital lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	<u>\$ 52,953</u>	<u>—</u>	<u>—</u>	<u>52,953</u>	<u>41,060</u>	<u>(25,725)</u>	<u>68,288</u>	<u>68,288</u>	<u>—</u>

5 Future minimum lease payments - Capital lease obligations:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capital lease obligations									—
Less: current portion									—
Capital lease obligation, net of current portion									<u>\$ —</u>

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6 Long-term debt obligations schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	\$ —	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

7 Calculation of net position

7.1 Calculation of net position - Net investment in capital assets

Capital assets, net of accumulated depreciation	\$	823,580
Capital lease obligations, current portion		—
Capital lease obligations, net of current portion		—
Long-term debt obligations, current portion		—
Long-term debt obligations, net of current portion		—
Portion of outstanding debt that is unspent at year-end (enter as positive n		—
Other adjustments: (please list)		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Net position - Net investment in capital assets	\$	823,580

7.2 Calculation of net position - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$	—
Endowment investments		—
Other adjustments: (please list)		—
Restricted expendable endowments		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Add description		—
Net position - Restricted for nonexpendable - endowments	\$	—

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

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8 Transactions with related entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 1,659,536
Payments to University for other than salaries of University personnel	590,726
Payments received from University for services, space, and programs	3,331,782
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	(392,352)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University (enter as positive number)	18,505
Other amounts receivable from University	—

9 Other postemployment benefits (OPEB) liability

Intentionally left blank - not required/applicable eff FY17/18

10 Pollution remediation liabilities under GASB Statement No. 49:

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	\$ —
Less: current portion	—
Pollution remediation liabilities, net of current portion	—

11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2017, as previously reported	\$	2,085,117
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2017, as restated	\$	<u>2,085,117</u>

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Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjustment:

	Debit	Credit
Net position class: 1 (breakdown of adjusting journal entry)	\$ —	—
Net position class: 2 (breakdown of adjusting journal entry)	—	—
Net position class: 3 (breakdown of adjusting journal entry)	—	—
Net position class: 4 (breakdown of adjusting journal entry)	—	—
Net position class: 5 (breakdown of adjusting journal entry)	—	—
Net position class: 6 (breakdown of adjusting journal entry)	—	—
Net position class: 7 (breakdown of adjusting journal entry)	—	—
Net position class: 8 (breakdown of adjusting journal entry)	—	—
Net position class: 9 (breakdown of adjusting journal entry)	—	—
Net position class: 10 (breakdown of adjusting journal entry)	—	—

12 Natural Classifications of Operating Expenses

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	—	—	—	—	—	—
Research	—	—	—	—	—	—
Public service	—	—	—	—	—	—
Academic support	—	—	—	—	—	—
Student services	1,510,648	385,674	—	2,400,904	—	4,297,226
Institutional support	—	—	—	—	—	—
Operation and maintenance of plant	—	—	—	—	—	—
Student grants and scholarships	—	—	—	—	—	—
Auxiliary enterprise expenses	—	—	—	—	—	—
Depreciation and amortization	—	—	—	—	169,612	169,612
Total	1,510,648	385,674	—	2,400,904	169,612	4,466,838

See independent auditors' report.