



Chapter 8

UNIVERSITY AUXILIARY ORGANIZATION AUDITED FINANCIAL STATEMENTS 2019-2020

- Associated Students Inc.
- Auxiliary for Sponsored Programs Administration
- Foundation
- Student-centered Enterprises Inc.

Associated Students, California State University, Bakersfield, Inc.

Financial Statements and Supplemental Information
Years Ended June 30, 2020 and 2019



ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee of
Associated Students, California State University, Bakersfield, Inc.

We have audited the accompanying financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, 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 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 Associated Students, California State University, Bakersfield, Inc. as of June 30, 2020 and 2019, 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

Emphasis of Matter

As described in Note 1 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to that matter.

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 included on pages 15-27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Aldrich CPAs + Advisors LLP

San Diego, California
September 18, 2020

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Financial Position**

June 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash	\$ 1,592,817	\$ 1,274,613
Investments	328,238	254,823
Accounts receivable, net of allowance for doubtful accounts of \$5,051 (2020) and \$1,469 (2019)	47,289	45,089
Due from related parties	<u>89,341</u>	<u>168,632</u>
Total Current Assets	2,057,685	1,743,157
Property and Equipment, net of accumulated depreciation	<u>11,620</u>	<u>34,003</u>
Total Assets	<u>\$ 2,069,305</u>	<u>\$ 1,777,160</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 130,881	\$ 59,104
Due to related parties	38,989	38,416
Deferred revenue	<u>115,684</u>	<u>100,224</u>
Total Current Liabilities	285,554	197,744
Net Assets - Without Donor Restrictions	<u>1,783,751</u>	<u>1,579,416</u>
Total Liabilities and Net Assets	<u>\$ 2,069,305</u>	<u>\$ 1,777,160</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Activities**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and Support Without Donor Restrictions:		
Student fees	\$ 4,464,541	\$ 4,038,250
Miscellaneous	146,675	234,447
Interest	<u>5,595</u>	<u>29,276</u>
Total Revenue and Support Without Donor Restrictions	4,616,811	4,301,973
Expenses:		
Program services - student services	4,041,965	3,683,211
Supporting services - general and administrative	<u>370,511</u>	<u>389,756</u>
Total Expenses	<u>4,412,476</u>	<u>4,072,967</u>
Change in Net Assets	204,335	229,006
Net Assets - Without Donor Restrictions, beginning	<u>1,579,416</u>	<u>1,350,410</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 1,783,751</u>	<u>\$ 1,579,416</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statement of Functional Expenses**

Year Ended June 30, 2020

	<u>Student Services</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 2,502,258	\$ -	\$ 2,502,258
Travel	662,009	43,239	705,248
Supplies	506,666	53,646	560,312
Salaries and wages	79,982	98,050	178,032
Transfer of student fees	163,144	-	163,144
Employee benefits	29,587	82,307	111,894
Miscellaneous	23,000	30,200	53,200
Dues and subscriptions	45,278	1,283	46,561
Occupancy	6,985	28,375	35,360
Depreciation	18,169	4,214	22,383
Accounting	-	15,500	15,500
Insurance	-	7,810	7,810
Conference, conventions, and meetings	1,625	2,619	4,244
Office expense	2,854	1,099	3,953
Information technology	-	2,169	2,169
Advertising and Promotion	408	-	408
	<u>408</u>	<u>-</u>	<u>408</u>
Total expenses	<u>\$ 4,041,965</u>	<u>\$ 370,511</u>	<u>\$ 4,412,476</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statement of Functional Expenses**

Year Ended June 30, 2019

	<u>Student Services</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 2,181,285	\$ -	\$ 2,181,285
Travel	659,268	46,404	705,672
Supplies	494,917	78,121	573,038
Salaries and wages	75,229	94,290	169,519
Transfer of student fees	150,227	-	150,227
Employee benefits	33,029	73,467	106,496
Miscellaneous	39,278	38,203	77,481
Occupancy	16,403	28,907	45,310
Depreciation	18,170	5,571	23,741
Accounting	-	12,500	12,500
Office expense	9,299	2,176	11,475
Dues and subscriptions	5,315	2,456	7,771
Insurance	-	7,016	7,016
Advertising and Promotion	791	-	791
Conference, conventions, and meetings	-	645	645
	<hr/>	<hr/>	<hr/>
Total expenses	\$ <u>3,683,211</u>	\$ <u>389,756</u>	\$ <u>4,072,967</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Cash Flows**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 204,335	\$ 229,006
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	22,383	23,741
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,200)	(15,402)
Due from related parties	79,291	(145,352)
Accounts payable and accrued expenses	71,777	5,380
Due to related parties	573	(135,455)
Deferred revenue	15,460	57,132
	<u>391,619</u>	<u>19,050</u>
Net Cash Provided by Operating Activities	391,619	19,050
Cash Flows Used by Investing Activities:		
Purchases of investments	<u>(73,415)</u>	<u>(113,379)</u>
	318,204	(94,329)
Net Increase (Decrease) in Cash	318,204	(94,329)
Cash, beginning	<u>1,274,613</u>	<u>1,368,942</u>
Cash, ending	<u>\$ 1,592,817</u>	<u>\$ 1,274,613</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

The Associated Students, California State University, Bakersfield, Inc. (Organization) was formed and operates as a non-profit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University) located in Bakersfield, California. The Organization exists as an advocate for students and provides programs which encourage leadership development, educational interests, and cultural awareness both at the University and statewide. The Organization has been in operation since 1976 and became a viable fiscal entity with the introduction of mandatory student fees by an election in 1977. The Organization's primary source of revenue is student fees.

New Accounting Pronouncement

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This standard update clarifies and improves the scope and the accounting guidance for contributions received and contributions made under U.S. generally accepted accounting principles (US GAAP). Effective July 1, 2019, the Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*.

Management has analyzed the provisions of the FASB's ASC Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and has concluded that no changes are necessary to conform with the new standard.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with US GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2020 and 2019.

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 US GAAP 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, 2020 and 2019 and therefore, no amounts have been accrued.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. The fair value is determined using quoted market prices. Alternative investments, for which quoted market prices are not readily available, are valued at fair value by the investment manager based on factors deemed relevant by the manager including, but not limited to, market conditions, purchase price, estimated liquidation value, restrictions on transfer and meaningful third party transactions in the private market. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. Unrealized gains and losses are included in the change in net assets in the statements of activities.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts.

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.

Deferred Revenue

Deferred revenue represents the portion of student fees collected for the summer session applicable to the next fiscal year.

Student Fees

Each matriculated student of the University was required to pay \$204 and \$199 per semester for student fees for the years ended June 30, 2020 and 2019, respectively. These payments support the Organization's operations and are recognized as revenue ratably over the course of the term.

Advertising

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

Functional Expense Allocations

The Organization's accounting system is established to record expenses by fund, department and natural expense. Expense function is determined by fund alone or a combination of fund and department. Two funds are used to accumulate expenses considered to be general and administrative in nature. The remaining five funds accumulate expenses considered to be programmatic in nature. Certain costs initially captured within the program funds, such as accounting costs, general insurance and bank fees, are presented as general and administrative instead of program costs.

Fair Value Measurements

The Organization defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Fair Value Measurements, continued

The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The fair value of the investments held by the CSU Consolidated Investment Pool explained in Note 4 reflect the Organization's pro rata share of the market value of the underlying assets in the account.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2020 and 2019, due to the relative short maturities of these instruments.

Future Accounting Standards

The FASB has issued two substantial ASUs which will become effective in future years.

The amendments in ASU 2014-09 *Revenue from Contracts with Customers* and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The Organization is in the process of assessing how this new ASU and subsequent updates will affect the Organization's reporting of revenues, effective July 1, 2020. This assessment includes determining the effect of the new standard on the Organization's financial statements, accounting systems, business processes, and internal controls. Based on its assessment to date, the Organization does not currently expect adoption to have a material effect on its revenues. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Future Accounting Standards, continued

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments (“lease liability”) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

The Organization has evaluated subsequent events through September 18, 2020, which is the date the financial statements were available to be issued.

As of the date through which the Organization has evaluated events occurring subsequent to the statement of financial position date June 30, 2020, the Organization believes it understands the risk associated with COVID-19. The Organization is in the process of implementing risk mitigation tactics for the Organization as to the risk of the impact, if any, of COVID-19 related to all aspects of the Organization’s business transactions with customers and vendors and human interaction within and outside of the Organization.

Note 2 – Liquidity and Availability

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the statement of financial position date.

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,592,817	\$ 1,274,613
Investments	328,238	254,823
Accounts receivable, net	47,289	45,089
Due from related parties	<u>89,341</u>	<u>168,632</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>2,057,685</u>	\$ <u>1,743,157</u>

The Organization is substantially supported by student fees collected by the University and these fees are subsequently transferred to the Organization. The fees carry no donor restrictions, and therefore, all financial assets are available for general expenditure within one year. Fees collected by the University that have not been transferred to the Organization by year-end are invested in the campus CSU Consolidated Investment Pool short-term investment account. The Organization has no other liquid assets available from which to draw.

Note 3 – Concentrations 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. The balances at times may exceed FDIC limits. In addition, the Organization has deposited cash pooled with the California State University, Bakersfield’s US Bank CSU Consolidated Investment Pool account. The Organization manages this risk by using high-quality financial institutions.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 4 – Investments and Fair Value Measurement

The Organization's investments are pooled and invested with the California State University, Bakersfield's US Bank CSU Consolidated Investment Pool account to take advantage of an effective investment program. Securities within the investment pool are not insured. In addition, the securities are not held in the Organization's name, but in the name of the University. The Organization's share of the pool is determined based on its proportionate interest in the University's investment pool account and are valued using NAV. The Organization's share of pooled investments was \$328,238 and \$254,823 at June 30, 2020 and 2019, respectively. Investments held in the investment pool are reported as short-term investments included in current assets on the statements of financial position.

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. See Note 1 for information regarding investment valuation.

Note 5 – Property and Equipment

Property and equipment consist of the following:

	2020	2019
Equipment	\$ 53,875	\$ 61,622
Leasehold improvements	254,852	254,852
	308,727	316,474
Less accumulated depreciation	(297,107)	(282,471)
	\$ 11,620	\$ 34,003

Note 6 – Operating Leases

The Organization leases 1,220 square feet of office space at California State University, Bakersfield from California State University, Bakersfield Student-centered Enterprises, Inc. (Student-centered Enterprises) under a non-cancelable agreement expiring June 2024. Monthly lease payments range from \$2,355 to \$2,647 throughout the contract.

In addition, the organization has entered into an agreement for a campus engagement platform expiring January 2022. Monthly lease payments are \$1,350 for this agreement.

Minimum future lease payments as of June 30, 2020 are due as follows:

Year Ending June 30,	
2021	\$ 45,334
2022	39,462
2023	30,890
2024	31,769
Thereafter	-
	\$ 147,455

Rental expense was \$35,360 and \$45,310 for the years ended June 30, 2020 and 2019, respectively.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 7 – Related Party Transactions

The Organization's salaries are paid by the University and billed to the Organization. The University provides accounting services to the Organization.

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.

The Student-centered Enterprises functions to benefit the student body of the University by operating various campus programs. The Student-centered Enterprises provides facilities for the Organization to conduct its operations. The Organization pays the Student-centered Enterprises for the use of these facilities as provided by the student body. The Organization also provides program services for student services for the Children's Center. The Organization pays the Student-centered Enterprises 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.

Related party transactions as of and for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Expenses:		
Program fees:		
University	\$ 3,639,290	\$ 3,477,621
Foundation	1,354	4,348
Student-centered Enterprises	203,271	41,927
Sponsored Programs Administration	-	150,226
	<u>\$ 3,843,915</u>	<u>\$ 3,674,122</u>
Due from:		
University	\$ 88,541	\$ 13,623
Foundation	-	155,009
Student-centered Enterprises	800	-
	<u>\$ 89,341</u>	<u>\$ 168,632</u>
Due to:		
University	\$ 37,401	\$ 37,280
Foundation	1,208	-
Student-centered Enterprises	380	1,136
	<u>\$ 38,989</u>	<u>\$ 38,416</u>

Note 8 – Commitments and Contingencies

From time to time, the Organization is subject to various litigation as a result of their activities. Management believes that the outcome of any such litigation will not have a material adverse effect on the Organization's financial position, changes in net assets, or liquidity.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 9 – Reclassifications

Certain items in the 2019 financial statements have been reclassified to conform to current year classifications, specifically the natural and functional classifications in the statements of activities, statements of functional expenses and schedules of activities by fund. In addition, certain revenue and expense transfer accounts were excluded from the statements of activities, statements of functional expenses, and schedules of activities by fund. Such reclassifications resulted in changes on previously reported changes in net assets on the schedule of activities by fund for ASI Administration and Chartered Clubs. Such reclassifications had no effect on total previously reported changes in net assets.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Activities by Fund

Year Ended June 30, 2020

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Revenue and Support Without Donor Restrictions:								
Student fees	\$ 599,065	\$ 521,548	\$ 174,562	\$ 2,950,604	\$ 130,956	\$ 87,806	\$ -	\$ 4,464,541
Miscellaneous	930	42	-	223	-	8,000	137,480	146,675
Interest	751	654	219	3,698	164	109	-	5,595
Total Revenue and Support Without Donor Restrictions	600,746	522,244	174,781	2,954,525	131,120	95,915	137,480	4,616,811
Expenses:								
Program services - student services	236,666	473,706	170,644	2,895,232	13,750	70,090	181,877	4,041,965
Supporting services - general and administrative	247,463	2,706	921	15,269	103,210	435	507	370,511
Total Expenses	484,129	476,412	171,565	2,910,501	116,960	70,525	182,384	4,412,476
Change in net assets	116,617	45,832	3,216	44,024	14,160	25,390	(44,904)	204,335
Net Assets - Without Donor Restrictions, beginning	831,046	25,413	484	396,318	139,972	27,882	158,301	1,579,416
Net Assets - Without Donor Restrictions, ending	\$ 947,663	\$ 71,245	\$ 3,700	\$ 440,342	\$ 154,132	\$ 53,272	\$ 113,397	\$ 1,783,751

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Activities by Fund

Year Ended June 30, 2019

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Revenue and Support Without Donor Restrictions:								
Student fees	\$ 503,610	\$ 477,259	\$ 159,227	\$ 2,699,192	\$ 119,493	\$ 79,469	\$ -	\$ 4,038,250
Miscellaneous	2,095	-	-	1,323	-	8,000	223,029	234,447
Interest	3,650	3,460	1,154	19,569	866	577	-	29,276
Total Revenue and Support Without Donor Restrictions	509,355	480,719	160,381	2,720,084	120,359	88,046	223,029	4,301,973
Expenses:								
Program services - student services	185,251	471,533	157,526	2,532,385	4,400	100,897	231,219	3,683,211
Supporting services - general and administrative	256,886	2,491	773	13,232	115,792	582	-	389,756
Total Expenses	442,137	474,024	158,299	2,545,617	120,192	101,479	231,219	4,072,967
Change in net assets	67,218	6,695	2,082	174,467	167	(13,433)	(8,190)	229,006
Net Assets - Without Donor Restrictions, beginning	763,828	18,718	(1,598)	221,851	139,805	41,315	166,491	1,350,410
Net Assets - Without Donor Restrictions, ending	\$ 831,046	\$ 25,413	\$ 484	\$ 396,318	\$ 139,972	\$ 27,882	\$ 158,301	\$ 1,579,416

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Net Position**

June 30, 2020

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	1,592,817
Short-term investments	328,238
Accounts receivable, net	136,630
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	2,057,685

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	11,620
Other assets	-
Total noncurrent assets	11,620

Total assets**2,069,305****Deferred outflows of resources:**

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

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Net Position**

June 30, 2020

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	107,154
Accrued salaries and benefits	-
Accrued compensated absences, current portion	23,727
Unearned revenues	115,684
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	38,989

Total current liabilities285,554**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**285,554**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	11,620
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,772,131

Total net position1,783,751

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2020

(for inclusion in the California State University)

Revenues:**Operating revenues:**

Student tuition and fees, gross 4,464,541

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 -

Scholarship allowances (enter as negative) -

Other operating revenues 146,675

Total operating revenues 4,611,216**Expenses:****Operating expenses:**

Instruction -

Research -

Public service -

Academic support -

Student services 1,887,835

Institutional support -

Operation and maintenance of plant -

Student grants and scholarships 2,502,258

Auxiliary enterprise expenses -

Depreciation and amortization 22,383

Total operating expenses 4,412,476**Operating income (loss)** 198,740**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 5,595

Endowment income (loss), net -

Interest expense -

Other nonoperating revenues (expenses) - excl. interagency transfers -

Net nonoperating revenues (expenses) 5,595**Income (loss) before other revenues (expenses)** 204,335

State appropriations, capital -

Grants and gifts, capital -

Additions (reductions) to permanent endowments -

Increase (decrease) in net position 204,335**Net position:**

Net position at beginning of year, as previously reported 1,579,416

Restatements -

Net position at beginning of year, as restated 1,579,416**Net position at end of year** 1,783,751

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	<u>-</u>
Current cash and cash equivalents	<u>1,592,817</u>
Total	<u>\$ 1,592,817</u>

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	328,238	-	328,238
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investments	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>328,238</u>	<u>-</u>	<u>328,238</u>
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	<u>\$ 328,238</u>	<u>-</u>	<u>328,238</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	328,238	-	-	-	328,238
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
Total investments	328,238	-	-	-	328,238

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g - CSU Consolidated Investment Pool (formerly SWIFT):	328,238	\$ -	328,238

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	254,852	-	-	-	254,852	-	-	-	254,852
Personal property:									
Equipment	61,622	-	-	-	61,622	-	(7,747)	-	53,875
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	316,474	-	-	-	316,474	-	(7,747)	-	308,727
Total capital assets	\$ 316,474	-	-	-	\$ 316,474	-	(7,747)	-	\$ 308,727

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(225,713)	-	-	-	(225,713)	(21,040)	-	-	(246,753)
Personal property:									
Equipment	(56,758)	-	-	-	(56,758)	(1,343)	7,747	-	(50,354)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(282,471)	-	-	-	(282,471)	(22,383)	7,747	-	(297,107)
Total capital assets, net	\$ 34,003	-	-	-	\$ 34,003	(22,383)	-	-	\$ 11,620

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 22,383
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 22,383

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclass ifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 16,819	-	16,819	9,241	(2,333)	\$ 23,727	23,727	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	\$ -	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 16,819	-	16,819	9,241	(2,333)	\$ 23,727	23,727	\$ -

5 Capital lease obligations schedule:

	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:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
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 obligations, net of current portion									\$ -

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	283,018
Payments to University for other than salaries of University personnel	3,356,272
Payments received from University for services, space, and programs	-
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)	(37,401)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	88,541
Other amounts receivable from University (enter as positive number)	-

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

8 Restatements

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

		Debit/(Credit)
Restatement #1	Enter transaction description	-
		-
		-
		-
		-
		-
		-
		-
		-
Restatement #2	Enter transaction description	-
		-
		-
		-
		-
		-
		-
		-
		-
		-

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	178,032	67,775	44,119	-	-	1,597,909	-	1,887,835
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	2,502,258	-	-	2,502,258
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	22,383	22,383
Total operating expenses	\$ 178,032	67,775	44,119	-	2,502,258	1,597,909	22,383	4,412,476

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2020

(for inclusion in the California State University)

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

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

2. Deferred Inflows of Resources

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

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019



**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statements of net position as of June 30, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, Auxiliary for Sponsored Programs Administration as of June 30, 2020 and 2019, and the changes in its financial position 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

Emphasis of Matter

As described in Note 1 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The supplementary information included on pages 15-27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2020, on our consideration of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2020

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis

Year Ended June 30, 2020

This section of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Organization) annual financial report includes management's discussion and analysis of the financial performance of the Organization for the period July 1, 2019 through June 30, 2020. This discussion should be read in conjunction with the financial statements and notes.

Introduction to the Financial Statements

The Organization's financial statements include the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. These statements are supported by notes to the financial statements and management's discussion and analysis. All sections must be considered together to obtain a complete understanding of the financial picture of the Organization.

Statement of Net Position: The statement of net position includes all assets and liabilities. Assets and liabilities are reported on an accrual basis, as of the statement date. It also identifies major categories of restrictions of net position of the Organization.

Statement of Revenues, Expenses, and Changes in Net Position: The statement of revenues, expenses and changes in net position present the revenues earned and expenses incurred during the year on an accrual basis.

Statement of Cash Flows: The statement of cash flows presents the inflows and outflows of cash for the year ended June 30, 2020, and is summarized by operating, noncapital financing, capital and related financing, and investing activities. These statements are prepared using the direct method of cash flows and therefore present gross, rather than net, amounts for the year's activities.

Financial Overview

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities, as of the period July 1, 2019 through June 30, 2020. Included, is an analysis of the current year activities and balances.

During the reporting period, the Organization generated and submitted 73 proposals requesting for approximately \$33 million, including about \$3.33 million in anticipated Facilities and Administrative (F&A) cost recovery – the major source of unrestricted revenue. Although the federal negotiated F&A rate is 47 percent of modified total direct costs, many requests for proposals offer lower rates and certain categories of expense may not be used when calculating the actual cost recovery.

Highlights of Proposed Projects

Proposal submission is the primary path to revenue for the Organization. Awards from successful proposals help fund educational, research, and service activities that benefit students, teachers, small businesses, and members of the California State University, Bakersfield (CSU Bakersfield or the University) community. The following comments are brief descriptions of a select number of proposals representative of the proposed activities and operations of the Organization. They are highlights of proposals submitted by each school with support from the Sponsored Programs Development Office in Grants, Research & Sponsored Programs (GRASP).

Academic and Administrative Departments

Administrative and academic departments submitted various proposals to support student needs, address college readiness, form partnerships with local agencies, and support research. Enrollment management proposed two projects (a \$2.35 million project and a \$2.12 million project) to the U.S. Department of Education under the High School Equivalency Program (HEP) and the College Assistance Migrant Program (CAMP). These programs are designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. Business and Administrative Services (BAS) submitted five proposals to the San Joaquin Air District requesting a total of \$99 thousand for the purchase of alternative vehicles for use on campus. The Office of Graduate and Undergraduate Studies submitted a \$3 million proposal to the U.S. Department of Education for *Promoting Excellence in Graduate Education & Increasing Hispanic STEM-Related Degree Completion*.

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis

Year Ended June 30, 2020

Arts and Humanities (AH)

Faculty from the School of Arts and Humanities submitted proposals to the Mockingbird Foundation and the California Humanities, an independent nonprofit organization and a partner of the National Endowment for the Humanities. Proposal titles and the originating departments included *Arts Integration through Music* (Music), *Humanities beyond Bars: Incarceration, Visibility, and Humanization* (Philosophy and Religious Studies), and *CalHum Cares Act Funding for Todd Madigan Gallery* (Todd Madigan Gallery). These proposals requested about \$32 thousand for programmatic support. They reflect the diversity of culture within CSU Bakersfield and the community.

Business and Public Administration (BPA)

BPA grant proposals focused on economic development, entrepreneurship support, and providing research experiences to undergraduate students. A *Build to Scale Venture Challenge Grant proposal* requested \$200 thousand from the Economic Development Administration. The project seeks to address the need for minority business education, technical assistance, and support. Student and faculty engagement are strongly reflected in *BRIXCAL: Building Research and Internship Experiences for Hispanics in California's Central Valley*. The proposal requests \$250 thousand from the Department of Agriculture to engage students through research intensive experiences with external community partnerships for internships. Each proposal addresses specific needs of the region, seeking to advance educational and economic outcomes.

Natural Sciences, Mathematics, and Engineering (NSME)

NSME submitted about 41% of all proposals in the reporting period. About one third of the proposals were submitted to the National Science Foundation. Proposals included a \$1.36 million *CSUB ITEST* project and a \$2.46 million *CSUB IUSE* proposal to the Improving Undergraduate STEM Education: Hispanic-Serving Institutions Program. A \$750 thousand proposal submitted to The California Learning Laboratory seeks to bring together collaborative work from three Hispanic-serving institutions in the San Joaquin Valley representing all three segments of higher education, specifically, Bakersfield College (BC), CSU Bakersfield, and University of California, Merced (UC Merced). The project team will develop, deliver, and implement online learning interventions to further provide evidence-based practices for achieving institutional change toward online learning in their respective STEM discipline-specific courses. CSU Bakersfield and BC will focus on chemistry courses while UC Merced will focus on engineering courses. The Department of Nursing submitted *Pathway Adelante: A Model HSI Career Pathway in Health Sciences* to the U.S. Department of Education in the amount of \$3 million. The proposal will support students and establish a model career pathway in health sciences for Hispanic-serving institutions. The California Energy Research Center submitted a proposal to the California BioEnergy LLC for funds to support student research opportunities.

Other research proposals from various departments were submitted to sponsors such as the U.S. Department of Agriculture, U.S. Geological Survey, and California private and public funding agencies.

Social Sciences and Education (SSE)

Community partnerships and student workforce linkages are featured in these proposals. The Department of Social Work in collaboration with University of California, Berkeley, submitted a \$3.19 million proposal to the Title IV-E Stipend Program with the California Social Worker Education Center. The program provides professional education and monetary support to undergraduate and graduate social work students who intend to pursue or continue a career in the field of public child welfare. The Department of Psychology submitted a proposal entitled *U-RISE at California State University, Bakersfield*, requesting \$1.6 million from the National Institutes of Health. The proposal will provide aspiring young researchers from diverse backgrounds transformational experiences that will strengthen their acceptance and successful completion of Ph.D.'s in the biomedical, behavioral and clinical fields leading to a diverse pool of the nation's scientists.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Management's Discussion and Analysis

Year Ended June 30, 2020

Statements of Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current assets	\$ 4,359,303	\$ 3,508,901	\$ 2,911,140
Capital assets	<u>210,166</u>	<u>193,433</u>	<u>200,179</u>
Total Assets	4,569,469	3,702,334	3,111,319
Liabilities:			
Current liabilities	<u>2,600,459</u>	<u>2,314,157</u>	<u>2,017,020</u>
Net Position	<u>\$ 1,969,010</u>	<u>\$ 1,388,177</u>	<u>\$ 1,094,299</u>

Assets

Assets increased by \$867 thousand to \$4.6 million due to an increase in cash of \$560 thousand, an increase in accounts receivable of \$364 thousand, a decrease of \$75 thousand in amounts due from related parties, an increase in prepaids of \$1 thousand and an increase of \$17 thousand in capital assets.

Liabilities

Total liabilities increased by \$286 thousand to \$2.6 million due to an increase of accounts payable of \$277 thousand, an increase in due to related parties of \$85 thousand, a decrease in accrued expenses of \$141 thousand and an increase in deferred revenue of \$65 thousand.

Net Position

Total net position increased by \$581 thousand. Most of the cost recovery generated will be used to support reimbursement of expenses to the University incurred in administration services. This year, the Organization generated enough F&A cost recovery revenue to support reimbursing the University for administration services, academic release time salaries, and consulting services to better serve and guide some of the most complex grants.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

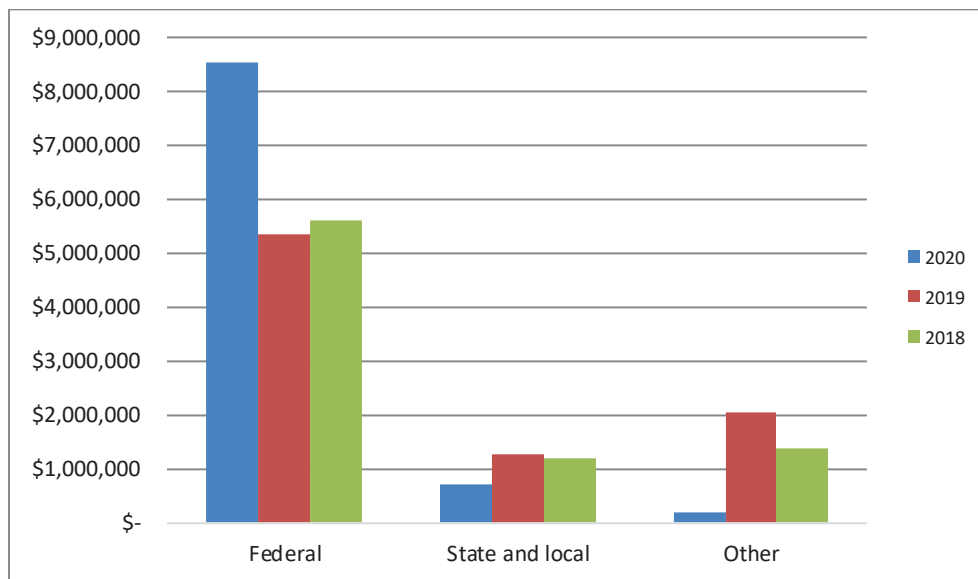
Management’s Discussion and Analysis

Year Ended June 30, 2020

Schedules of Revenues, Expenses, and Changes in Net Position

	2020	2019	2018
Operating Revenue and Other Support:			
Grants	\$ 9,426,885	\$ 7,572,077	\$ 7,691,371
Other operating revenues	4,360	1,099,036	498,434
Total Operating Revenue and Other Support	9,431,245	8,671,113	8,189,805
Expenses:			
Program services	8,402,229	7,629,204	7,441,170
General and administrative	395,485	748,031	792,062
Total Expenses	8,797,714	8,377,235	8,233,232
Change in Net Position Before Transfer	633,531	293,878	(43,427)
Transfer of Net Deficit, Children's Center	16,769	-	-
Transfer of Net Posistion, University Grants	(69,467)	-	-
Change in Net Position	580,833	293,878	(43,427)
Net Position, beginning	1,388,177	1,094,299	1,137,726
Net Position, ending	\$ 1,969,010	\$ 1,388,177	\$ 1,094,299

Revenue



Overall revenues increased from \$8.7 to \$9.4 million. The federal grant revenue generated by the Organization increased from 62 to 91 percent. The increase in federal revenue is primarily due to the transfer of two grants from the University to the Organization: CalSWEC 2018 for \$1.2 million and GPS to Stem Degree Completion for \$1.1 million. State grant revenues decreased from 10 percent to 7 percent, local grant revenues reflected a decrease of revenue from 5 percent to 1 percent, and non-governmental revenues decreased from 10 percent to 1 percent. Other revenue decreased from 13 to 0 percent due to the transfer of the children’s center operations from the Organization to California State University, Bakersfield Student-centered Enterprises, Inc.

See independent auditors’ report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis

Year Ended June 30, 2020

Expenses

Program expenses represent costs related to administering the grants awarded. These expenses can be classified into payroll and non-payroll related expenses (i.e. supplies and services, contractual services, travel, etc.). Payroll-related expenses total \$4.8 million whereas \$3.6 million relates to non-payroll grant expenses. General and administrative expenses consist of those related to reimbursements to the University for business and administrative services. General and administrative expenses decreased by \$353 thousand, from \$748 thousand to \$395 thousand. Primarily, this is due to a decrease in services from other agencies.

Factors Bearing on the Organization's Future

The Sponsored Programs Development Office in GRASP is developing strategies and refining procedures to assist faculty and staff with generation and submission of more high-quality proposals for projects to be managed in the future by the Organization.

Contacting the Organization's Financial Management

The Organization's financial report is designed to provide the Organization's Board of Directors, management, legislative and oversight agencies, citizens, and customers with an overview of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's finances, and to demonstrate its accountability for funds received. For additional information about this report, please contact Dr. Imeh Ebong, Associate Vice President – Grants, Research & Sponsored Programs (GRASP) at 9001 Stockdale Highway, Bakersfield, California 93311.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Statements of Net Position

June 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash	\$ 2,445,042	\$ 1,884,726
Accounts receivable	1,899,979	1,535,680
Due from related parties	13,143	88,461
Prepaid expenses	1,139	34
Capital assets, net of accumulated depreciation	<u>210,166</u>	<u>193,433</u>
 Total Assets	 4,569,469	 3,702,334
 LIABILITIES		
Accounts payable	483,387	205,969
Due to related parties	1,530,253	1,445,249
Accrued expenses	266,717	407,950
Deferred revenue	<u>320,102</u>	<u>254,989</u>
 Total Liabilities	 <u>2,600,459</u>	 <u>2,314,157</u>
 NET POSITION		
Net investment in capital assets	210,166	193,433
Unrestricted	<u>1,758,844</u>	<u>1,194,744</u>
 Total Net Position	 <u>\$ 1,969,010</u>	 <u>\$ 1,388,177</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenue and Other Support:		
Grants:		
Federal	\$ 8,544,003	\$ 5,357,388
State	634,777	842,431
Non-governmental	178,345	959,105
Local	69,760	413,153
Other	4,360	1,099,036
	<u>9,431,245</u>	<u>8,671,113</u>
Total Operating Revenue and Other Support		
Operating Expenses:		
Program services	8,402,229	7,629,204
General and administrative	395,485	748,031
	<u>8,797,714</u>	<u>8,377,235</u>
Total Operating Expenses		
Change in Net Position Before Transfers	633,531	293,878
Transfer of Net Deficit, Children's Center (Note 5)	16,769	-
Transfer of Net Position, University Grants (Note 5)	<u>(69,467)</u>	<u>-</u>
Change in Net Position	580,833	293,878
Net Position, beginning	<u>1,388,177</u>	<u>1,094,299</u>
Net Position, ending	<u>\$ 1,969,010</u>	<u>\$ 1,388,177</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Statement of Cash Flows

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Grant revenue receipts	\$ 9,127,538	\$ 7,568,298
Payments to suppliers	(3,516,946)	(3,417,672)
Payments to employees	(4,950,373)	(4,093,908)
	<u>660,219</u>	<u>56,718</u>
Net Cash Provided by Operating Activities		
Cash Flows Used by Capital and Related Financing Activities:		
Acquisitions of capital assets	(99,903)	(58,420)
	<u>560,316</u>	<u>(1,702)</u>
Net Increase (Decrease) in Cash		
Cash, beginning	<u>1,884,726</u>	<u>1,886,428</u>
Cash, ending	<u>\$ 2,445,042</u>	<u>\$ 1,884,726</u>
Cash Flows from Operating Activities:		
Change in net position	\$ 580,833	\$ 293,878
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	26,950	29,881
Transfer of capital assets	44,802	35,285
Transfer of Children's Center	(16,769)	-
Transfer of University Grants	69,467	-
Changes in operating assets and liabilities:		
Accounts receivable	(444,137)	(571,165)
Due from related parties	75,318	(29,828)
Prepaid expenses	(1,105)	1,530
Accounts payable	295,418	(31,309)
Due to related parties	85,004	595,775
Accrued expenses	(138,204)	234,493
Deferred revenue	65,113	(501,822)
Due to other funds	17,529	-
	<u>660,219</u>	<u>56,718</u>
Net Cash Provided by Operating Activities		
Transfer of Children's Center program on July 1, 2019 (Note 5):		
Accounts receivable	\$ (10,371)	\$ -
Capital assets, net of accumulated depreciation	(11,418)	-
Due to other funds	17,529	-
Accounts payable	18,000	-
Accrued expenses	3,029	-
	<u>16,769</u>	<u>-</u>
Net transfer		
Transfer of University Grants on July 1, 2019 (Note 5):		
Accounts receivable	\$ (69,467)	\$ -

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Organization) was incorporated in the State of California on August 28, 2009. The Organization was formed and operated solely for the benefit of California State University, Bakersfield as a non-profit auxiliary organization. The Organization is responsible for the accomplishment of certain University objectives that require financial support not provided by the State. These activities occur in all aspects of University life, including the development and administration of sponsored grants and contracts for faculty and staff research and educational projects.

Basis of Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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 statement of revenues, expenses, and changes in net position, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2020 and 2019 and therefore no amounts have been accrued.

Accounts Receivable

The accounts receivable arises in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time.

Capital Assets

The Organization capitalizes all expenditures for capital assets 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 30 years.

Deferred Revenue

Deferred revenue represents grant payments received in advance of grant earnings.

Advertising

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

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Subsequent Events

The Organization has evaluated subsequent events through September 17, 2020, which is the date the financial statements were available to be issued.

As of the date through which the Organization has evaluated events occurring subsequent to the statement of financial position of June 30, 2020, the Organization believes it understands the risk associated with COVID-19. The Organization is in the process of implementing risk mitigation tactics for the Organization as to the risk of the impact, if any, of COVID-19 related to all aspects of the Organization's business transactions with customers and vendors and human interaction within and outside of the Organization.

Note 2 – Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

Note 3 – Capital Assets

Changes in capital assets consist of the following for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Transfers	Transfer of Children's Center (Note 5)	Balance June 30, 2020
Equipment	\$ 234,458	\$ 99,903	\$ (59,730)	\$ -	\$ 274,631
Leasehold improvements	20,000	-	-	(20,000)	-
Buildings and improvements	9,646	-	(9,646)	-	-
Less accumulated depreciation	<u>(70,671)</u>	<u>(26,950)</u>	<u>24,574</u>	<u>8,582</u>	<u>(64,465)</u>
	<u>\$ 193,433</u>	<u>\$ 72,953</u>	<u>\$ (44,802)</u>	<u>\$ (11,418)</u>	<u>\$ 210,166</u>

Changes in capital assets consist of the following for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Transfers	Transfer of Children's Center (Note 5)	Balance June 30, 2019
Equipment	\$ 324,694	\$ 58,420	\$ (148,656)	\$ -	\$ 234,458
Leasehold improvements	20,000	-	-	-	20,000
Buildings and improvements	9,646	-	-	-	9,646
Less accumulated depreciation	<u>(154,161)</u>	<u>(29,881)</u>	<u>113,371</u>	<u>-</u>	<u>(70,671)</u>
	<u>\$ 200,179</u>	<u>\$ 28,539</u>	<u>\$ (35,285)</u>	<u>\$ -</u>	<u>\$ 193,433</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 4 – Related Party Transactions

The University provides accounting and payroll services to the Organization. Additionally, the University collects funds on behalf of the Organization related to draw downs on their various grants.

California State University, Bakersfield Foundation (Foundation) collected funds on behalf of the Organization for a matching contribution related to a grant awarded to the Organization. Additionally, the Foundation provides various services to the Organization.

Associated Students, California State University, Bakersfield, Inc. (Associated Students) and California State University, Bakersfield Student-centered Enterprises, Inc. (Student-centered Enterprises) provide various services to the Organization.

Related party transactions as of and for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Revenue:		
University	\$ 227,412	\$ 528,422
Foundation	346,036	48
Associated Students	-	150,226
Student-centered Enterprises	4,997	35,000
	<u>\$ 578,445</u>	<u>\$ 713,696</u>
Expenses:		
Services from other agencies:		
University	\$ 5,482,652	\$ 4,098,214
Foundation	4,811	5,223
Student-centered Enterprises	130,635	15,492
	<u>\$ 5,618,098</u>	<u>\$ 4,118,929</u>
Due from:		
University	\$ 13,143	\$ 53,461
Student-centered Enterprises	-	35,000
	<u>\$ 13,143</u>	<u>\$ 88,461</u>
Due to:		
University	<u>\$ 1,530,253</u>	<u>\$ 1,445,249</u>

Note 5 – Transfer of Children’s Center and University Grants

In fiscal year 2019, the Board of Directors of the Organization and Student-centered Enterprises approved the transfer of the Children’s Center contracts for preschool, childcare and development, and the nutrition program to Student-centered Enterprises. The transfer was approved by the California Department of Education in fiscal year 2020 with an effective date of July 1, 2019.

With the granting agency’s (sponsor’s) approval, the University transferred the University’s grants for CalSWEC 2018, CalSWEC Mental Health 2016, GPS to Stem Degree Completion, and Chevron Revs Up to the Organization. The effective date of the transfer was July 1, 2019.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 6 – Reclassifications

Certain items in the 2019 financial statements have been reclassified to conform to current year classifications, specifically the natural and functional classifications in the schedule of expenses by natural classification. Such reclassifications had no effect on previously reported changes in net position.

SUPPLEMENTAL INFORMATION

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Expenses by Natural Classification

Year Ended June 30, 2020

	Program Services	General and Administrative	Total
Salaries	\$ 3,621,388	\$ -	\$ 3,621,388
Payroll taxes and benefits	1,187,752	-	1,187,752
Stipends	1,171,127	-	1,171,127
Services from other agencies	760,514	299,965	1,060,479
Supplies	1,007,223	10,872	1,018,095
Small equipment	215,135	-	215,135
Travel	162,872	9,019	171,891
Miscellaneous	111,833	1,027	112,860
Professional fees	1,620	44,825	46,445
Rent	41,553	245	41,798
Dues and subscriptions	18,286	13,860	32,146
Depreciation	26,950	-	26,950
Conference and meetings	25,414	701	26,115
Printing and publications	24,705	265	24,970
Insurance	184	14,591	14,775
Parking	10,501	25	10,526
Telephone	6,302	-	6,302
Promotions	6,002	-	6,002
Postage	1,638	-	1,638
Repairs and maintenance	618	90	708
Scholarships	612	-	612
	<u>8,402,229</u>	<u>395,485</u>	<u>8,797,714</u>
Total Expenses	\$ <u>8,402,229</u>	\$ <u>395,485</u>	\$ <u>8,797,714</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Expenses by Natural Classification

Year Ended June 30, 2019

	Program Services	General and Administrative	Total
Salaries	\$ 3,555,164	\$ -	\$ 3,555,164
Services from other agencies	728,884	607,753	1,336,637
Payroll taxes and benefits	949,473	-	949,473
Stipends	830,171	-	830,171
Supplies	798,067	6,271	804,338
Travel	238,128	5,776	243,904
Miscellaneous	143,462	276	143,738
Conference and meetings	100,160	2,734	102,894
Small equipment	25,299	54,454	79,753
Professional fees	25,228	43,167	68,395
Promotions	45,055	-	45,055
Scholarships	38,689	-	38,689
Printing and publications	34,864	870	35,734
Depreciation	29,881	-	29,881
Dues and subscriptions	12,817	14,154	26,971
Rent	24,054	315	24,369
Repairs and maintenance	21,010	22	21,032
Insurance	3,314	12,221	15,535
Telephone	8,111	-	8,111
Parking	6,314	10	6,324
Events	6,069	-	6,069
Postage	4,990	8	4,998
	<u>7,629,204</u>	<u>748,031</u>	<u>8,377,235</u>
Total Expenses	\$ <u>7,629,204</u>	\$ <u>748,031</u>	\$ <u>8,377,235</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2020

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$	2,445,042
Short-term investments		-
Accounts receivable, net		1,913,122
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		1,139
Total current assets		4,359,303

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		210,166
Other assets		-
Total noncurrent assets		210,166
Total assets		4,569,469

Deferred outflows of resources:

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

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2020

(for inclusion in the California State University)

Liabilities:

Current liabilities:

Accounts payable	2,013,640
Accrued salaries and benefits	247,402
Accrued compensated absences, current portion	19,315
Unearned revenues	320,102
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	-

Total current liabilities	2,600,459
----------------------------------	------------------

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	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-

Total noncurrent liabilities	-
-------------------------------------	----------

Total liabilities	2,600,459
--------------------------	------------------

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	210,166
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-

Unrestricted	1,758,844
--------------	-----------

Total net position	\$ 1,969,010
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**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2020

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	\$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	8,544,003
State	634,777
Local	69,760
Nongovernmental	178,345
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	4,360
Total operating revenues	9,431,245

Expenses:

Operating expenses:

Instruction	261,915
Research	2,730,897
Public service	586,759
Academic support	2,876,827
Student services	1,906,454
Institutional support	407,300
Operation and maintenance of plant	-
Student grants and scholarships	612
Auxiliary enterprise expenses	-
Depreciation and amortization	26,950
Total operating expenses	8,797,714
Operating income (loss)	633,531

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	(52,698)
Net nonoperating revenues (expenses)	(52,698)
Income (loss) before other revenues (expenses)	580,833

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	580,833

Net position:

Net position at beginning of year, as previously reported	1,388,177
Restatements	-
Net position at beginning of year, as restated	1,388,177
Net position at end of year	\$ 1,969,010

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2020

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	2,445,042
Total	\$ 2,445,042

2.1 Composition of investments:

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2020

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	9,646	-	-	-	9,646	-	(9,646)	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	20,000	-	-	-	20,000	-	(20,000)	-	-
Personal property:									
Equipment	234,458	-	-	-	234,458	99,903	(59,730)	-	274,631
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	264,104	-	-	-	264,104	99,903	(89,376)	-	274,631
Total capital assets	\$ 264,104	-	-	-	\$ 264,104	99,903	(89,376)	-	\$ 274,631

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2020

(for inclusion in the California State University)

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

Buildings and building improvements	(469)	-	-	-	(469)	(13)	482	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(8,583)	-	-	-	(8,583)	-	8,583	-	-
Personal property:									
Equipment	(61,619)	-	-	-	(61,619)	(26,937)	24,091	-	(64,465)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(70,671)	-	-	-	(70,671)	(26,950)	33,156	-	(64,465)
Total capital assets, net	\$ 193,433	-	-	-	\$ 193,433	72,953	(56,220)	-	210,166

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 26,950
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 26,950

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2020

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclassi- fications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 48,506	-	48,506	24,348	(53,539)	\$ 19,315	\$ 19,315	-
2. Claims liability for losses and loss adjustment	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 48,506	-	48,506	24,348	(53,539)	\$ 19,315	19,315	-

5 Capital lease obligations schedule:

	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:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
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 obligations, net of current portion									-

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2020

(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	3,313,246
Payments to University for other than salaries of University personnel	2,169,406
Payments received from University for services, space, and programs	227,412
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	(1,530,253)
Other amounts (payable to) University	-
Accounts receivable from University	13,143
Other amounts receivable from University	-

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2020

(for inclusion in the California State University)

8 Restatements

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

		Debit/(Credit)
Restatement #1	Enter transaction description	
		-
Restatement #2	Enter transaction description	
		-

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	121,351	19,962	17,312	-	-	103,290	-	261,915
Research	1,102,445	211,622	163,372	-	-	1,253,458	-	2,730,897
Public service	232,076	46,678	26,197	-	-	281,808	-	586,759
Academic support	1,151,906	207,697	194,906	-	-	1,322,318	-	2,876,827
Student services	1,013,610	214,272	85,734	-	-	592,838	-	1,906,454
Institutional support	-	-	-	-	-	407,300	-	407,300
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	612	-	-	612
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	26,950	26,950
Total operating expenses	\$ 3,621,388	700,231	487,521	-	612	3,961,012	26,950	8,797,714

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2020

(for inclusion in the California State University)

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

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

Total deferred outflows - others	-
Total deferred outflows of resources	-

2. Deferred Inflows of Resources

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

Total deferred inflows - others	-
Total deferred inflows of resources	-

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

To the Board of Directors of
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statement of net position as of June 30, 2020, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

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

Aldrich CPAs + Advisors LLP

San Diego, California
September 17, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Report on Compliance for Each Major Federal Program

We have audited California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs for the year ended June 30, 2020. California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance.

Opinion on Each Major Federal Program

In our opinion, California State University, Bakersfield, Auxiliary for Sponsored Programs Administration complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED**

Report on Internal Control over Compliance

Management of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Grant Guidance. Accordingly, this report is not suitable for any other purpose.

Alarich CPAs + Advisors LLP

San Diego, California
September 17, 2020

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal/Pass-Through Grantor and Program Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>Research and Development Cluster:</u>				
<u>U.S. Department of Agriculture</u>				
Direct Program:				
Integrated Project	10.326	2018-70001-27831	47,944	-
Pass-through Research Triangle Institute:				
Assessing Human Health Impacts	10.310	888-17-04-02	8,906	-
Pass-through California Department of Food & Agriculture:				
Mist Cooling to Delay Bloom	10.170	17-0275-038-SC	34,813	-
			91,663	-
<u>U.S. Department of Interior, Bureau of Reclamation</u>				
Pass-through The Metropolitan Water District of Southern California:				
Designing & Building Electroclada	15.530	179948	3,887	-
<u>U.S. Department of Defense</u>				
Direct Program:				
Quantative Forecasting	12.630	W911NF-15-1-0498	4,368	-
<u>U.S. Department of The Interior</u>				
Pass-through The California State Historic Preservation Officer:				
SSJVIC-Historic Preservation	15.904	P18AF00112	1,000	-
<u>U.S. Department of Justice</u>				
Pass-through City of Bakersfield BPD:				
Shot Spotter	16.609	18-019 US17 01 6203	24,255	-
<u>National Science Foundation</u>				
Direct Programs:				
Collab Research: Correlating Opto	47.049	DMR-1904042	23,611	-
Collab Research: GP-EXTRA	47.050	ICER-1700942	46,045	-
Testing the fidelity of Nd Isotopes	47.050	1811798	30,528	-
Career 1 Grant	47.074	IOS-1252232	3,463	-
CSUB NSF Crest Phase II	47.076	HRD-1547784	1,319,031	-
Catalyzing IDEA's for the San	47.076	HRD-1928568	29,144	-
Pass-through trustee of Columbia University:				
IOPD Expedition 359	47.050	27(GG009393)	26,328	-
Pass-through CSU Sacramento:				
CSU-LSAMP (2018-2023)	47.076	HRD-1826490	9,743	-
			1,487,893	-
<u>U.S. Department of Education</u>				
Direct Programs:				
GPS to Stem Degree Completion	84.031	P031C160080	1,131,771	-
Increasing Hispanic STEM Relationships	84.031	P031M190029	88,586	-
CSUB CCAMPIS Project	84.335	P335A180240	153,604	-
			1,373,961	-
Total Research and Development Cluster			\$ 2,987,027	\$ -
<u>SNAP Cluster:</u>				
<u>U.S. Department of Agriculture</u>				
Pass-through CSU, Chico Research Foundation-Center for Healthy Communities/CA Department of Social Services:				
Cal Fresh Outreach	10.561	18-7015	\$ 16,300	\$ -
Total SNAP Cluster			\$ 16,300	\$ -
<u>WIOA Cluster:</u>				
<u>U.S. Department of Education</u>				
Pass-through County of Kern, Employers Training Resource:				
Accelerated Drug & Alcohol Study	17.258	AA-33218-19-55-A-6	\$ 116,554	\$ -
Total WIOA Cluster			\$ 116,554	\$ -

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal/Pass-Through Grantor and Program Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>TRIO Cluster:</u>				
<u>U.S. Department of Education</u>				
Direct Program:				
TRIO - Talent Search	84.044	P044A160244	\$ 489,230	\$ -
Total TRIO Cluster			\$ 489,230	\$ -
<u>U.S. Department of Agriculture</u>				
Direct Program:				
RELO: Research, Experiential and Learning Opportunities	10.223	2016-38422-25544	\$ 97,741	\$ -
<u>U.S. Department of Justice/Office on Violence Against Women</u>				
Direct Program:				
Roadrunner Risk Reduction Prog	16.525	2018-WA-AX-0046	12,831	-
<u>U.S. Department of Labor</u>				
Pass-through County of Kern:				
Migrant Books 2018	17.264	687-2018	851	-
MBAP/Migrant Book Assistance	17.264	687-2019	24,180	-
2019 NHE Phase II Opioid Crisis	17.277	DW32815-19-60-A-6	139,865	-
Pass-through BCSD, Migrant Education Program, Region 21:				
BCSD Residential Academy	17.999	S011A190005	30,304	-
BCSD Non-Residential Academy	17.999	LOU 3640	48,890	-
			244,090	-
<u>U.S. Department of State</u>				
Pass-through World Learning Inc.				
World Learning Workshop	19.009	S-ECAGD-18-CA-0068	14,242	-
<u>National Endowment for the Humanities</u>				
Pass-through California Humanities:				
Spanish Language & Linguistics	45.129	HFAQ18-112	2,655	-
<u>Small Business Administration</u>				
Pass-through University of California Merced:				
Small Business Development Center 2019	59.037	SBAHQ-19-B-0067	284,805	-
Pass-through The Regents of UC, Merced:				
Central CA SBDC Network 2020	59.037	SBAHQ20B0060	20,066	-
			304,871	-
<u>U.S. Department of Education</u>				
Direct Programs:				
HEP-High School Equivalency Program	84.141	S141A150005-16	453,674	-
CAMP Program	84.149	S149A150026-16	367,849	-
Practices to Optimize Special Education	84.325	H325K140418	22,021	-
TQP GRO STEM	84.336	U336S140047	717,803	50,000
TQP III: Citizen Scientist Path	84.336	U336S180012	808,828	-
Pass-through Regents of UC, Office of the President:				
CSMP-ESSA19	84.367	S367A190005	11,496	-
			2,381,671	50,000
<u>U.S. Department of Health & Human Services</u>				
Direct Program:				
HRSA ANEW Program Transforming	93.247	T94HP32897	497,919	86,029
Pass-through Regents of UC, Berkeley CalSWEC/Foster Care Title IV:				
CalSWEC 2018	93.658	18-3028		
			1,242,843	-
			1,740,762	86,029
Total Expenditures of Federal Awards			\$ 8,407,974	\$ 136,029

See independent auditors' report and notes to schedule of expenditures of federal awards.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 – Summary of Significant Accounting Policies

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2 CFR section 200.414 Indirect costs.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major program:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No

Type of auditors' report issued on compliance for major programs	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR section 200.516(a)?	No
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.247	HRSA ANEW Program Transforming
93.658	CalSWEC 2018

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee under the Uniform Guidance, 2 CFR section 200.520?	Yes
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**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Prior Year Findings

Year Ended June 30, 2020

Section IV – Schedule of Prior Year Findings

None reported.

California State University, Bakersfield Foundation

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee of
California State University, Bakersfield Foundation

We have audited the accompanying financial statements of California State University, Bakersfield Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, 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 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 Foundation as of June 30, 2020 and 2019, 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

Emphasis of Matter

As described in Note 1 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to that matter.

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 included on pages 26 – 36 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Alanich CPAs + Advisors LLP

San Diego, California
September 25, 2020

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statements of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 8,121,592	\$ 3,907,424
Current portion of promises to give, net of allowance for doubtful promises	735,298	782,364
Accounts receivable, net of allowance for doubtful accounts of \$0 (2020) and \$15,775 (2019)	6,005	7,016
Due from related parties	<u>57,476</u>	<u>99,393</u>
Total Current Assets	8,920,371	4,796,197
Non-Current Assets:		
Investments	32,883,199	33,489,942
Promises to give, net of discount and current portion	459,709	787,900
Property and equipment, net of accumulated depreciation	757,099	798,058
Collections	91,670	91,670
Life insurance policies	<u>477,528</u>	<u>427,327</u>
Total Non-Current Assets	<u>34,669,205</u>	<u>35,594,897</u>
Total Assets	<u>\$ 43,589,576</u>	<u>\$ 40,391,094</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 85,793	\$ 65,599
Accrued expenses	16,974	24,253
Due to related parties	101,671	240,811
Current portion of accrued post-employment benefits other than pensions	60,965	74,243
Revenue collected in advance	151,911	92,485
Deposits in excess of withdrawals for agency accounts	<u>29,399</u>	<u>45,500</u>
Total Current Liabilities	446,713	542,891
Non-Current Liabilities:		
Revenue collected in advance, net of current portion	1,187,500	72,615
Accrued post-employment benefits other than pensions, net of current portion	<u>771,898</u>	<u>1,019,725</u>
Total Non-Current Liabilities	<u>1,959,398</u>	<u>1,092,340</u>
Total Liabilities	2,406,111	1,635,231
Net Assets:		
Without Donor Restrictions:		
Operating	5,554,639	5,062,883
Board designated endowment	<u>3,458,354</u>	<u>3,586,892</u>
	9,012,993	8,649,775
With Donor Restrictions:		
Time restricted only	186,123	105,711
Purpose restricted	12,257,139	12,577,931
Perpetual in nature	<u>19,727,210</u>	<u>17,422,446</u>
	<u>32,170,472</u>	<u>30,106,088</u>
Total Net Assets	<u>41,183,465</u>	<u>38,755,863</u>
Total Liabilities and Net Assets	<u>\$ 43,589,576</u>	<u>\$ 40,391,094</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statements of Activities**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and Other Support:		
Contributions	\$ 4,809,740	\$ 4,265,031
Investment Income	399,703	756,954
Other	<u>1,769,881</u>	<u>1,766,719</u>
Total Revenue and Other Support	6,979,324	6,788,704
Expenses:		
Program services:		
Alumni engagement	28,702	41,560
Athletics	1,207,137	2,625,129
Scholarships and academic support	2,068,285	2,519,278
Endowments	317,181	306,056
Reserves	186,039	1,094,131
Supporting services:		
General and administrative	385,728	421,667
Fundraising	<u>555,827</u>	<u>646,916</u>
Total Operating Expenses	<u>4,748,899</u>	<u>7,654,737</u>
Change in Net Assets from Operations	2,230,425	(866,033)
Non-operating Revenues (Expenses):		
Change in post-employment benefits other than pensions	<u>197,177</u>	<u>(18,759)</u>
Change in Net Assets	2,427,602	(884,792)
Net Assets, beginning	<u>38,755,863</u>	<u>39,640,655</u>
Net Assets, ending	<u>\$ 41,183,465</u>	<u>\$ 38,755,863</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statement of Activities**

Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Other Support:			
Contributions	\$ 226,816	\$ 4,582,924	\$ 4,809,740
Investment income (loss)	(80,913)	480,616	399,703
Other	1,048,816	721,065	1,769,881
Net assets released from restriction	<u>3,720,221</u>	<u>(3,720,221)</u>	<u>-</u>
Total Revenue and Other Support	4,914,940	2,064,384	6,979,324
Expenses:			
Program services:			
Alumni engagement	28,702	-	28,702
Athletics	1,207,137	-	1,207,137
Scholarships and academic support	2,068,285	-	2,068,285
Endowments	317,181	-	317,181
Reserves	186,039	-	186,039
Supporting services:			
General and administrative	385,728	-	385,728
Fundraising	<u>555,827</u>	<u>-</u>	<u>555,827</u>
Total Operating Expenses	<u>4,748,899</u>	<u>-</u>	<u>4,748,899</u>
Change in Net Assets from Operations	166,041	2,064,384	2,230,425
Non-operating Revenues:			
Change in post-employment benefits other than pensions	<u>197,177</u>	<u>-</u>	<u>197,177</u>
Change in Net Assets	363,218	2,064,384	2,427,602
Net Assets, beginning	<u>8,649,775</u>	<u>30,106,088</u>	<u>38,755,863</u>
Net Assets, ending	<u>\$ 9,012,993</u>	<u>\$ 32,170,472</u>	<u>\$ 41,183,465</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statement of Activities**

Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Other Support:			
Contributions	\$ 146,942	\$ 4,118,089	\$ 4,265,031
Investment income	15,319	741,635	756,954
Other	1,142,091	624,628	1,766,719
Net assets released from restriction	<u>5,570,046</u>	<u>(5,570,046)</u>	<u>-</u>
Total Revenue and Other Support	6,874,398	(85,694)	6,788,704
Expenses:			
Program services:			
Alumni engagement	41,560	-	41,560
Athletics	2,625,129	-	2,625,129
Scholarships and academic support	2,519,278	-	2,519,278
Endowments	306,056	-	306,056
Reserves	1,094,131	-	1,094,131
Supporting services:			
General and administrative	421,667	-	421,667
Fundraising	<u>646,916</u>	<u>-</u>	<u>646,916</u>
Total Operating Expenses	<u>7,654,737</u>	<u>-</u>	<u>7,654,737</u>
Change in Net Assets from Operations	(780,339)	(85,694)	(866,033)
Non-operating Expenses:			
Change in post-employment benefits other than pensions	<u>(18,759)</u>	<u>-</u>	<u>(18,759)</u>
Change in Net Assets	(799,098)	(85,694)	(884,792)
Net Assets, beginning	<u>9,448,873</u>	<u>30,191,782</u>	<u>39,640,655</u>
Net Assets, ending	<u>\$ 8,649,775</u>	<u>\$ 30,106,088</u>	<u>\$ 38,755,863</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services					Supporting Services				Total
	Alumni Engagement	Athletics	Scholarships and Academic Support	Endowments	Reserves	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Scholarships	\$ -	\$ 113,508	\$ 937,449	\$ -	\$ -	\$ 1,050,957	\$ 500	\$ -	\$ 500	\$ 1,051,457
Transfers to CSU Bakersfield	-	78,471	485,712	-	30,102	594,285	-	-	-	594,285
Salaries and wages	-	248,372	170,167	-	-	418,539	-	-	-	418,539
Foundation administration fees	-	-	-	317,181	87,073	404,254	-	-	-	404,254
Employee benefits	-	113,130	5,871	-	-	119,001	189,207	7,021	196,228	315,229
Office expense	11,403	50,109	82,330	-	16,148	159,990	49,014	104,662	153,676	313,666
Supplies	6,227	33,998	184,800	-	3,026	228,051	50,719	32,066	82,785	310,836
Travel	1,562	235,295	19,913	-	3,795	260,565	3,684	27,436	31,120	291,685
Events	-	-	3,616	-	-	3,616	-	204,869	204,869	208,485
In-kind expenses	460	148,208	5,870	-	-	154,538	15,600	-	15,600	170,138
Dues and subscriptions	-	2,968	94,614	-	-	97,582	14,532	22,865	37,397	134,979
Miscellaneous	5,359	73,939	32,586	-	5,240	117,124	3,579	12,521	16,100	133,224
Information technology	-	7,771	427	-	40	8,238	4,764	94,906	99,670	107,908
Other professional fees	-	26,957	17,363	-	-	44,320	25,195	22,344	47,539	91,859
Advertising and promotion	58	45,212	7,993	-	108	53,371	6,026	7,286	13,312	66,683
Accounting	-	-	-	-	-	-	54,050	-	54,050	54,050
Depreciation	-	3,050	-	-	37,909	40,959	-	-	-	40,959
Conference, conventions, and meetings	-	1,700	2,223	-	-	3,923	1,775	17,366	19,141	23,064
Minor equipment	-	11,312	7,023	-	1,608	19,943	64	-	64	20,007
Insurance	1,878	-	2,023	-	990	4,891	12,260	470	12,730	17,621
Occupancy	1,755	-	8,305	-	-	10,060	5,552	1,610	7,162	17,222
Payroll taxes	-	13,137	-	-	-	13,137	239	405	644	13,781
Lobbying	-	-	-	-	-	-	10,000	-	10,000	10,000
Legal	-	-	-	-	-	-	1,918	-	1,918	1,918
Bad debt recoveries	-	-	-	-	-	-	(62,950)	-	(62,950)	(62,950)
Total operating expenses	28,702	1,207,137	2,068,285	317,181	186,039	3,807,344	385,728	555,827	941,555	4,748,899
Change in post-employment benefits other than pensions	-	-	-	-	-	-	(197,177)	-	(197,177)	(197,177)
Total expenses	\$ 28,702	\$ 1,207,137	\$ 2,068,285	\$ 317,181	\$ 186,039	\$ 3,807,344	\$ 188,551	\$ 555,827	\$ 744,378	\$ 4,551,722

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services					Supporting Services				Total
	Alumni Engagement	Athletics	Scholarships and Academic Support	Endowments	Reserves	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Transfers to CSU Bakersfield	\$ -	\$ 1,029,357	\$ 585,553	\$ -	\$ 915,227	\$ 2,530,137	\$ -	\$ -	\$ -	\$ 2,530,137
Scholarships	-	259,146	1,175,916	-	-	1,435,062	-	-	-	1,435,062
Office expenses	22,416	135,732	77,349	-	11,289	246,786	42,590	139,900	182,490	429,276
Salaries and wages	-	319,661	115,672	-	-	435,333	-	2,344	2,344	437,677
Foundation administration fees	-	-	-	306,056	86,789	392,845	-	-	-	392,845
Supplies	4,157	67,950	188,204	-	8,582	268,893	54,795	38,418	93,213	362,106
Travel	1,219	230,417	37,700	-	11,023	280,359	17	30,685	30,702	311,061
In-kind expenses	-	197,094	6,240	-	9,986	213,320	74,892	-	74,892	288,212
Events	-	-	76,886	-	-	76,886	21,686	226,352	248,038	324,924
Employee benefits	-	117,698	10,102	-	-	127,800	93,390	-	93,390	221,190
Miscellaneous	1,151	88,757	62,352	-	3,548	155,808	3,098	11,040	14,138	169,946
Other professional fees	-	66,804	42,290	-	-	109,094	15,365	9,509	24,874	133,968
Dues and subscriptions	2,100	3,218	107,424	-	2,000	114,742	7,321	19,199	26,520	141,262
Advertising and promotion	4,140	65,263	1,596	-	-	70,999	8,941	49,043	57,984	128,983
Information technology	-	1,259	1,798	-	-	3,057	2,601	83,364	85,965	89,022
Conference, conventions, and meetings	-	12,915	8,348	-	567	21,830	3,886	18,464	22,350	44,180
Bad debt	-	-	-	-	-	-	42,596	-	42,596	42,596
Depreciation	-	3,520	-	-	37,909	41,429	-	-	-	41,429
Accounting	-	-	-	-	-	-	34,450	-	34,450	34,450
Occupancy	4,605	300	12,305	-	-	17,210	5,122	1,507	6,629	23,839
Payroll taxes	-	18,102	1,255	-	-	19,357	490	-	490	19,847
Insurance	1,772	3,357	1,652	-	43	6,824	10,427	1,169	11,596	18,420
Minor equipment	-	4,579	6,636	-	7,168	18,383	-	-	-	18,383
Professional fundraising	-	-	-	-	-	-	-	15,922	15,922	15,922
Total operating expenses	41,560	2,625,129	2,519,278	306,056	1,094,131	6,586,154	421,667	646,916	1,068,583	7,654,737
Change in post-employment benefits other than pensions	-	-	-	-	-	-	18,759	-	18,759	18,759
Total expenses	\$ 41,560	\$ 2,625,129	\$ 2,519,278	\$ 306,056	\$ 1,094,131	\$ 6,586,154	\$ 440,426	\$ 646,916	\$ 1,087,342	\$ 7,673,496

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statements of Cash Flows**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,427,602	\$ (884,792)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	40,959	41,429
Donation of investments	(37,888)	(10,620)
Gains on investments	(418,160)	(2,007,842)
Endowment contributions	2,304,764	248,514
Changes in operating assets and liabilities:		
Receivables	418,185	85,926
Other current assets	-	733
Life insurance policies	(50,201)	100,895
Accounts payable and accrued expenses	12,915	(34,376)
Other liabilities	757,965	(139,251)
Net Cash Provided (Used) by Operating Activities	5,456,141	(2,599,384)
Cash Flows from Investing Activities:		
Purchases of investments	(4,374,286)	(6,486,818)
Proceeds from sale of investments	5,437,077	9,583,153
Net Cash Provided by Investing Activities	1,062,791	3,096,335
Cash Flows from Financing Activities:		
Endowment contributions	(2,304,764)	(248,514)
Net Increase in Cash and Cash Equivalents	4,214,168	248,437
Cash and Cash Equivalents, beginning	3,907,424	3,658,987
Cash and Cash Equivalents, ending	\$ <u>8,121,592</u>	\$ <u>3,907,424</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

The California State University, Bakersfield Foundation (Foundation), was incorporated in the State of California on February 5, 1969. The Foundation was formed and operates as a non-profit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University), which is located in Bakersfield, California. The Foundation supports the University by advocating for the University to government and to the community, fundraising for University programs and activities, managing the finances of the Foundation and the University endowment, and advising the administrations of California State University and the University.

New Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This standard update clarifies and improves the scope and the accounting guidance for contributions received and contributions made under U.S. generally accepted accounting principles (US GAAP). Effective July 1, 2019, the Foundation adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*.

Management has analyzed the provisions of the FASB's ASC Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and has concluded that no changes are necessary to conform with the new standard.

In March 2017, the FASB issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715)*. This standard update was issued primarily to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost. The amendments in this update require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the statement of activities separately from the service cost component and outside a subtotal of change in net assets from operating activities, if one is presented.

Management has analyzed the provisions of the FASB's Topic 715, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, and has adjusted the presentation for the years ended June 30, 2020 and 2019 to present service cost related to the postretirement plan as a portion of the benefits expense and all other components as change in post-employment benefits other than pensions as shown in the statements of activities and statements of functional expenses.

The Foundation has used the practical expedient provided by ASU 2017-07 of using amounts disclosed in the Post-Employment Benefits Other Than Pensions note in the June 30, 2019 financial statements as the estimation basis for applying the retrospective requirements of the ASU.

Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with US GAAP, which require the Foundation to report information regarding their financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

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 Foundation 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 Foundation 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 Foundation follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Foundation has no uncertain tax positions at June 30, 2020 and 2019 and therefore no amounts have been accrued.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Promises that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are discounted to their estimated net present value. After promises are originally recorded, an allowance for uncollectible promises may be established based on specific circumstances.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary as of June 30, 2020 as management believes all amounts are collectible.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. The fair value is determined using quoted market prices. Alternative investments, for which quoted market prices are not readily available, are valued at fair value by the investment manager based on factors deemed relevant by the manager including, but not limited to, market conditions, purchase price, estimated liquidation value, restrictions on transfer and meaningful third party transactions in the private market. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. Unrealized gains and losses are included in the change in net assets in the statements of activities.

Property and Equipment

The Foundation 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 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 asset of three to 30 years.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Collections

The Foundation capitalizes its collections at cost if purchased and at appraised or fair value at the date of accession if donated. There were no acquisitions for the years ended June 30, 2020 and 2019. Capitalized collections are not depreciated.

Life Insurance Policies

The Foundation receives life insurance policies as gifts. These policies are irrevocable and the Foundation is the sole beneficiary. These policies are valued at their fair market value as of year-end.

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Gifts In-kind

Contributions of tangible assets are recognized at fair market value when received. In-kind contributions are recognized as net assets without donor restrictions, unless donor stipulation requires them to be recognized as net assets with donor restrictions.

Advertising

The Foundation follows the policy of charging the costs of advertising to expenses as incurred.

Functional Allocation of Expenses

The Foundation's accounting system is established to record expenses by fund, department and natural expense. Expense function is determined by either fund alone or by a combination of fund and department. One fund is used to accumulate expenses considered to be either general and administrative or fundraising in nature. Within that fund, the department determines whether the expense is general and administrative or fundraising in nature. The remaining funds accumulate expenses considered to be programmatic in nature. Certain costs initially captured within the program funds, such as investment brokerage fees and professional fundraising fees, are presented as general and administrative and fundraising costs instead of program costs.

Fair Value Measurements

The Foundation defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Foundation applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs.

The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Mutual funds, bonds and equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Hedge funds: Valued at the partner's reported capital account balance, which approximates fair value.

Real assets: Valued at market value by the fund manager.

Future Accounting Standards

The FASB has issued two substantial ASUs which will become effective in future years.

The amendments in ASU 2014-09 *Revenue from Contracts with Customers* and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The Foundation is in the process of assessing how this new ASU and subsequent updates will affect the Foundation's reporting of revenues, effective July 1, 2020. This assessment includes determining the effect of the new standard on the Foundation's financial statements, accounting systems, business processes, and internal controls. Based on its assessment to date, the Foundation does not currently expect adoption to have a material effect on their revenues. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, although there are optional practical expedients that entities may elect to apply. The Foundation is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

The Foundation has evaluated subsequent events through September 25, 2020, which is the date the financial statements were available to be issued.

In the second and third quarter of calendar year 2020, the Foundation saw a decline in the number of engagement, stewardship, cultivation, and fundraising events and in-person meetings as a result of safety restrictions implemented due to COVID-19. Continued safety measures prevent in-person activities for the foreseeable future, which will likely have an impact on fundraising and engagement efforts. In addition, due to the economic uncertainty surrounding the industries in which many of the Foundation's donors are employed, fundraising activity will likely be impacted.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 2 – Liquidity and Availability

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the statement of financial position date.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 8,121,592	\$ 3,907,424
Promises to give, net	1,195,007	1,570,264
Accounts receivable, net	6,005	7,016
Due from related parties	57,476	99,393
Investments	32,883,199	33,489,942
Anticipated distributions from endowments	<u>960,318</u>	<u>908,230</u>
Total financial assets	43,223,597	39,982,269
Less amounts not available to be used within one year:		
Restricted by donor with purpose or time restrictions	(32,084,339)	(30,068,805)
Board designations: quasi-endowment fund, primarily for long-term investing	<u>(3,458,354)</u>	<u>(3,586,892)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>7,680,904</u></u>	\$ <u><u>6,326,572</u></u>

The Foundation is substantially supported by donor-restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation invests cash in excess of daily requirements in Certificates of Deposit. The Foundation had a quasi-endowment of \$3,458,354 and \$3,586,892 at June 30, 2020 and 2019. Although the Foundation does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual appropriation process, amounts from its quasi-endowment could be made available if necessary. There are reserve funds established by the governing board that may be drawn upon in the event of financial distress or a liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

Note 3 – Concentrations of Credit Risk

The Foundation 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. The balances at times may exceed FDIC limits. The Foundation manages this risk by using high-quality financial institutions.

The Foundation invests in various types of money market funds, certificates of deposit, corporate bonds, and mutual funds. The Foundation has established guidelines relative to diversification and maturities that target certain safety and liquidity risk levels. These guidelines are periodically reviewed and modified.

The Foundation also invests in various investment securities. Investment securities in general are subject to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that the changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Three donors comprised 56% and four donors comprised 79% of promises to give at June 30, 2020 and 2019, respectively. Two donors comprised 58% and 32% of contributions for the years ended June 30, 2020 and 2019, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 4 – Investments and Fair Value Measurement

Investments consist of the following as of June 30, 2020:

	Level 1	Level 2	Level 3	NAV	Total
Common stock	\$ 47,729	\$ -	\$ -	\$ -	\$ 47,729
Certificates of deposit	-	824,416	-	-	824,416
Corporate bonds	-	296,918	-	-	296,918
Government securities	-	503,433	-	-	503,433
Mutual funds:					
Large cap	1,608,326	-	-	-	1,608,326
Domestic	5,495,372	-	-	-	5,495,372
International	1,901,883	-	-	-	1,901,883
Nontraditional	3,128,565	-	-	-	3,128,565
Emerging markets	585,480	-	-	-	585,480
Strategic investment group equity	-	-	-	7,922,256	7,922,256
Strategic investment group bonds	-	-	-	3,146,505	3,146,505
Alternative investments:					
Hedge funds	-	-	-	6,916,108	6,916,108
Real assets	-	-	-	506,208	506,208
	<u>\$ 12,767,355</u>	<u>\$ 1,624,767</u>	<u>\$ -</u>	<u>\$ 18,491,077</u>	<u>\$ 32,883,199</u>

Investments consist of the following as of June 30, 2019:

	Level 1	Level 2	Level 3	NAV	Total
Common stock	\$ 39,286	\$ -	\$ -	\$ -	\$ 39,286
Certificates of deposit	-	1,408,964	-	-	1,408,964
Mutual funds:					
Large cap	1,670,603	-	-	-	1,670,603
Domestic	5,969,551	-	-	-	5,969,551
International	2,848,890	-	-	-	2,848,890
Nontraditional	2,122,091	-	-	-	2,122,091
Emerging markets	610,417	-	-	-	610,417
Strategic investment group equity	-	-	-	7,945,283	7,945,283
Strategic investment group bonds	-	-	-	3,256,567	3,256,567
Alternative investments:					
Hedge funds	-	-	-	7,156,124	7,156,124
Real assets	-	-	-	462,166	462,166
	<u>\$ 13,260,838</u>	<u>\$ 1,408,964</u>	<u>\$ -</u>	<u>\$ 18,820,140</u>	<u>\$ 33,489,942</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 4 – Investments and Fair Value Measurement, continued

Commitments and redemptions schedule for those investments valued based on net asset values are as follows:

	<u>Fair value at June 30, 2020</u>	<u>Unfunded commitment</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Ironwood Inst MS Hedge Fund [a]	\$ 1,431,100	none	semi-annually	120 days
Skybridge Multi-advisor Hedge Fund [b]	891,619	none	quarterly	60 days
Hamilton Lane PMOF I [c]	915,777	639,640	none	none
Strategic Funds Alpha Portfolio [d]	3,677,612	none	monthly	1 month
Real Assets [d]	506,208	none	monthly	1 month
Strategic Funds Equity [d]	7,922,256	none	monthly	1 month & 1 business day
Strategic Funds Bonds [d]	3,146,505	none	monthly	1 month & 1 business day

[a] Ironwood Inst MS Hedge Fund are fund of hedge funds which are relative value and event driven, equity market neutral, distressed securities and credit opportunities.

[b] Skybridge Multi-advisor Hedge Funds are fund of hedge funds which are relative value and event driven.

[c] Hamilton Lane PMOF I is a diversified private equity fund of funds. Liquidity occurs as underlying private equity investments are sold.

[d] Strategic Funds Portfolio are fund of funds which are relative value and event driven, focused on equities, hedge funds, fixed income, and real assets.

	<u>Fair value at June 30, 2019</u>	<u>Unfunded commitment</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Ironwood Inst MS Hedge Fund [a]	\$ 1,386,221	none	semi-annually	120 days
Skybridge Multi-advisor Hedge Fund [b]	1,126,630	none	quarterly	60 days
Hamilton Lane PMOF I [c]	721,457	818,074	none	none
Strategic Funds Alpha Portfolio [d]	3,921,816	none	monthly	1 month
Real Assets [d]	462,166	none	monthly	1 month
Strategic Funds Equity [d]	7,945,283	none	monthly	1 month & 1 business day
Strategic Funds Bonds [d]	3,256,567	none	monthly	1 month & 1 business day

[a] Ironwood Inst MS Hedge Fund are fund of hedge funds which are relative value and event driven, equity market neutral, distressed securities and credit opportunities.

[b] Skybridge Multi-advisor Hedge Funds are fund of hedge funds which are relative value and event driven.

[c] Hamilton Lane PMOF I is a diversified private equity fund of funds. Liquidity occurs as underlying private equity investments are sold.

[d] Strategic Funds Portfolio are fund of funds which are relative value and event driven, focused on equities, hedge funds, fixed income, and real assets.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 5 – Promises to Give

Promises to give consist of the following:

	<u>2020</u>	<u>2019</u>
Due in less than one year	\$ 850,083	\$ 1,171,813
Due in one to five years	340,734	731,089
Due in more than five years	<u>236,000</u>	<u>150,000</u>
Gross promises to give	1,426,817	2,052,902
Less:		
Allowance for doubtful promises to give	(114,785)	(389,449)
Discount on promises to give (average imputed rate of 3%)	<u>(117,025)</u>	<u>(93,189)</u>
Promises to give, net	<u>\$ 1,195,007</u>	<u>\$ 1,570,264</u>

Promises to give consist of the following on the statements of financial position:

	<u>2020</u>	<u>2019</u>
Current	\$ 735,298	\$ 782,364
Non-current	<u>459,709</u>	<u>787,900</u>
	<u>\$ 1,195,007</u>	<u>\$ 1,570,264</u>

Note 6 – Property and Equipment

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 1,571,775	\$ 1,598,724
Buildings and improvements	1,588,494	1,588,494
Leasehold improvements	<u>72,963</u>	<u>72,963</u>
	3,233,232	3,260,181
Less accumulated depreciation	<u>(2,479,272)</u>	<u>(2,465,262)</u>
	753,960	794,919
Land	<u>3,139</u>	<u>3,139</u>
	<u>\$ 757,099</u>	<u>\$ 798,058</u>

Note 7 – Defined Benefit Pension Plan

In previous years, the Foundation contributed to the Public Employees' Retirement System of the State of California (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public agencies in California. During the years ended June 30, 2020 and 2019, the benefit obligation contribution was made by CSU Bakersfield.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 8 – Post-Employment Benefits Other Than Pensions

The Foundation provides postretirement health care benefits through CalPERS to full-time employees who have retired from the Foundation on or after attaining age 50 with at least 5 years of service. Continued participation in the existing health and dental plans is offered. Once the individual is eligible for Medicare, coverage may be continued in the CalPERS health plan by enrolling in a supplement to Medicare or a Managed Medicare Plan. The following information is based on an actuarial study performed as of June 30, 2020:

Net periodic postretirement benefit cost included the following components for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Service cost	\$ -	\$ -
Interest cost	42,274	44,272
Amortization net gain	<u>(132,141)</u>	<u>(129,421)</u>
Net periodic postretirement benefit cost	<u>\$ (89,867)</u>	<u>\$ (85,149)</u>

The net periodic postretirement benefit cost was determined using the following weighted average assumptions:

	<u>2020</u>	<u>2019</u>
Discount rate	4.00%	4.00%
Expected long-term rate of return	N/A	N/A
Health care cost trend rate:		
Present rate before 65	5.25%	5.75%
Present rate 65 and older	5.25%	5.75%
Ultimate rate before age 65 (year reached)	5.00%	5.00%
Ultimate rate age 65 and older (year reached)	5.00%	5.00%

Accumulated postretirement and projected benefit obligation:

	<u>2020</u>	<u>2019</u>
Retirees	<u>\$ 832,863</u>	<u>\$ 1,093,968</u>

Funded status:

	<u>2020</u>	<u>2019</u>
Beginning accrued postretirement benefit obligation	\$ 1,093,968	\$ 1,144,427
Actuarial gain (loss)	(105,441)	106,574
Retiree contributions:		
Net periodic postretirement cost	(89,867)	(85,149)
Estimated benefit payments	<u>(65,797)</u>	<u>(71,884)</u>
Ending accrued postretirement benefit obligation	<u>\$ 832,863</u>	<u>\$ 1,093,968</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 8 – Post-Employment Benefits Other Than Pensions, continued

The projected accrued postretirement benefit obligation was determined using the following weighted average assumptions:

	<u>2020</u>	<u>2019</u>
Discount rate	4.00%	4.00%
Health care cost trend rate:		
Present rate before 65	5.00%	5.25%
Present rate 65 and older	5.00%	5.25%
Ultimate rate before age 65 (year reached)	5.00%	5.00%
Ultimate rate age 65 and older (year reached)	5.00%	5.00%

The expected net periodic post-retirement benefit cost for fiscal year 2020:

Service cost	\$	-
Interest cost		32,095
Amortization of unrecognized net gain		<u>(160,812)</u>
Net periodic postretirement benefit costs	\$	<u><u>(128,717)</u></u>

The expected contribution for the next 10 years:

2021	60,965
2022	60,353
2023	60,049
2024	59,982
2025	54,317
2025-2029	260,332

An actuarial study is completed annually. The schedule presented above is based on the study completed on August 20, 2020 as of and for the year then ended June 30, 2020.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 9 – Restricted Net Assets

Net assets with donor restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
Purpose restrictions:		
Academic programs	\$ 6,487,534	\$ 5,561,739
Scholarships	4,056,057	5,061,746
Athletic programs	<u>704,664</u>	<u>489,893</u>
	11,248,255	11,113,378
Time restricted:		
Athletic programs	524,962	877,280
Scholarships	428,223	419,969
Academic programs	55,699	167,304
General use	<u>186,123</u>	<u>105,711</u>
	1,195,007	1,570,264
Endowments:		
Subject to appropriation and expenditure when a specified event occurs		
Scholarships	9,955,598	9,833,075
Academic programs	<u>9,771,612</u>	<u>7,589,371</u>
	<u>19,727,210</u>	<u>17,422,446</u>
	<u>\$ 32,170,472</u>	<u>\$ 30,106,088</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:		
Athletic programs	\$ 1,384,351	\$ 2,822,144
Academic programs	1,150,546	1,417,309
Scholarships	<u>1,045,654</u>	<u>1,305,892</u>
	3,580,551	5,545,345
Satisfaction of time restrictions:		
General use	<u>139,670</u>	<u>24,701</u>
	<u>\$ 3,720,221</u>	<u>\$ 5,570,046</u>

Note 10 – Endowments

The Foundation has adopted the guidance on net classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and also requires disclosures about endowment funds, both donor-restricted endowment funds and institution-designated endowment funds.

The Foundation's endowments consist of funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 10 – Endowments, continued

The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation

Spending policy: The Foundation's spending policy allocates total earnings from the portfolio between current spending and reinvestment for future earnings and has been designed with three objectives in mind: (a) provide current programs with a predictable, stable stream of revenues; (b) ensure that the purchasing power of real value of this revenue stream does not decline over time; and (c) ensure that the purchasing power or real value of the Endowment assets does not decline over time. The cost of current operating programs will likely increase over time at least as fast as inflation. If the endowment is to cover a reasonably constant portion of current operating expenses, endowment spending must increase at least as fast as inflation. The Foundation's policy is designed to preserve both the purchasing power of their endowments and of their endowment withdrawals. Such a policy also ensures that the competing needs of current and future generations of students and faculty are in financial equilibrium. Lastly, the Foundation has adopted an annual spending rate of up to 5.25%, inclusive of the Foundation's 1.25% investment management fee. The spending rate is computed based on the historical three year rolling-average of the Endowment's fiscal year-end market value, one year before the fiscal year in which the spend is available commencing July 1.

Investment policy: The objective is to promote growth in the investment funds sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant-dollar value and purchasing power of the funds for future generations, and to preserve the principal of operating cash and reserves while producing market-level income. The total annualized rate of return objective for the full portfolio shall be, net of all investment asset expenses, 5.25% greater than the rate of inflation, as measured by the Consumer Price Index.

At times, the fair value of assets associated with these endowment funds may fall below the level that the donors require the Foundation to retain as funds of perpetual duration. These deficiencies result from unfavorable market fluctuations. In accordance with generally accepting accounting principles deficits of this nature are reported as net assets without donor restrictions.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 10 – Endowments, continued

As of June 30, 2020, the endowment net assets composition by type of fund consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 3,458,354	\$ -	\$ 3,458,354
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	19,727,210	19,727,210
Accumulated investment gains	-	3,758,491	3,758,491
	<u>\$ 3,458,354</u>	<u>\$ 23,485,701</u>	<u>\$ 26,944,055</u>

As of June 30, 2019, the endowment net assets composition by type of fund consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 3,586,892	\$ -	\$ 3,586,892
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	17,422,446	17,422,446
Accumulated investment gains	-	4,464,736	4,464,736
	<u>\$ 3,586,892</u>	<u>\$ 21,887,182</u>	<u>\$ 25,474,074</u>

The changes in endowment net assets for the year ended June 30, 2020, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,586,892	\$ 21,887,182	\$ 25,474,074
Contributions	-	2,304,764	2,304,764
Appropriated expenditures	(204,128)	(1,089,353)	(1,293,481)
Investment return, net	75,590	383,108	458,698
Endowment net assets, end of year	<u>\$ 3,458,354</u>	<u>\$ 23,485,701</u>	<u>\$ 26,944,055</u>

The changes in endowment net assets for the year ended June 30, 2019, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,666,603	\$ 22,063,149	\$ 25,729,752
Contributions	20,866	248,514	269,380
Transfer to endowment (Note 11)	-	79,921	79,921
Appropriated expenditures	(199,854)	(1,141,266)	(1,341,120)
Investment return, net	99,277	636,864	736,141
Endowment net assets, end of year	<u>\$ 3,586,892</u>	<u>\$ 21,887,182</u>	<u>\$ 25,474,074</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 10 – Endowments, continued

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in nine donor-restricted endowment funds, which together have an original gift value of \$2,877,692, a current fair value of \$2,723,299, and a deficiency of \$154,393 as of June 30, 2020. Deficiencies of this nature exist in four donor-restricted endowment funds, which together have an original gift value of \$216,451, a current fair value of \$176,271, and a deficiency of \$40,180 as of June 30, 2019. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds.

The Foundation has interpreted UPMIFA to permit spending from underwater donor-restricted endowment funds in accordance with prudent measures required under law. The governing board appropriated for expenditure \$67,259 and \$1,000 from underwater endowment funds during the years ended June 30, 2020 and 2019, respectively.

Note 11 – Donor Transfers

During the year ended June 30, 2019 donors changed their gifts from those that were temporary in nature to those that were perpetual in nature. As a result, \$79,921 was transferred to the endowment during the year ended June 30, 2019, where funds will be maintained in perpetuity. There were no such transfers for the year ended June 30, 2020.

Note 12 – Transactions with Related Parties

The Foundation functions to benefit the University by operating various campus programs. The Foundation purchases various services such as printing, utilities, telephone, mail service, etc. from the University.

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.

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

California State University, Bakersfield Student-centered Enterprises, Inc. (Student-centered Enterprises) functions to benefit the student body of the University by operating various campus programs. Student-centered Enterprises provides facilities for the Foundation to conduct its operations. The Foundation pays Student-centered Enterprises for the use of these facilities as provided by the student body. Student-centered Enterprises also provides program services for student services for the Children's Center. The Foundation pays Student-centered Enterprises for these services as provided by the student body.

Transactions for the years ended June 30, 2020 and 2019 with related parties are reflected in the accompanying financial statements as follows:

	<u>2020</u>	<u>2019</u>
Revenue:		
University:		
Student services	\$ 554,545	\$ 580,752
Program fees	25,512	13,459
Sponsored Programs Administration	4,812	5,223
Associated Students	1,354	1,324
Student-centered Enterprises	<u>3,220</u>	<u>4,874</u>
	<u>\$ 589,443</u>	<u>\$ 605,632</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**

Years Ended June 30, 2020 and 2019

Note 12 – Transactions with Related Parties, continued

	<u>2020</u>	<u>2019</u>
Expenses:		
University:		
Scholarships	\$ 1,040,183	\$ 1,275,074
Administrative services	900,787	3,248,773
Interest	-	26,984
Sponsored Programs Administration	346,036	48
Associated Students	20,495	206,252
Student-centered Enterprises	10,827	51,284
	<u>\$ 2,318,328</u>	<u>\$ 4,808,415</u>
Due from:		
University	\$ 56,268	\$ 99,069
Associated Students	1,208	-
Student-centered Enterprises	-	324
	<u>\$ 57,476</u>	<u>\$ 99,393</u>
Due to:		
University	\$ 97,705	\$ 54,132
Associated Students	-	155,009
Student-centered Enterprises	3,966	31,670
	<u>\$ 101,671</u>	<u>\$ 240,811</u>

Note 13 – Risks and Uncertainties

The Foundation invests in various 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 such changes could materially affect account balance and the amounts reported on the statements of net activities.

Note 14 – Conditional Contributions

Conditional contributions consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Energy and Engineering Innovation Center	\$ 5,037,500	\$ 3,050,000
Grimm Family Center for Agricultural Business	3,000,000	-
Icardo Plaza Center	400,000	400,000
Other academic programs	198,615	165,100
	<u>\$ 8,636,115</u>	<u>\$ 3,615,100</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 14 – Conditional Contributions, continued

Conditional contributions received for the construction of the Energy and Engineering Innovation Center are conditional on approval of the University's construction plans by the Chancellor's Office. Conditional contributions received for the Grimm Family Center for Agricultural Business are conditional on meeting specific performance criteria that support the operations of the Grimm Family Center for Agricultural Business. Conditional contributions received for the Icardo Plaza Center are conditional on initial improvements to the Icardo Plaza Center being substantially completed. Conditional contributions received for other academic programs are conditional on the substantial completion of various program objectives.

A conditional contribution does not meet the standard for revenue recognition. As such, collectively, the \$8,636,115 and \$3,611,500 conditional portions of contributions have not been recognized in the statements of activities for the years ended June 30, 2020 and 2019, respectively.

Note 15 – Reclassifications

Certain items in the 2019 financial statements have been reclassified to conform to current year classifications, specifically the natural and functional classifications in the statements of functional expenses and activities. In addition, certain items have been reclassified as revenue collected in advance in the statements of activities. Such reclassifications had no effect on previously reported changes in net assets.

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Schedule of Net Position**

June 30, 2020

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	8,121,592
Short-term investments	-
Accounts receivable, net	63,481
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	735,298
Prepaid expenses and other current assets	-
Total current assets	8,920,371

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	459,709
Endowment investments	25,266,863
Other long-term investments	7,616,336
Capital assets, net	848,769
Other assets	477,528
Total noncurrent assets	34,669,205
Total assets	43,589,576

Deferred outflows of resources:

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Schedule of Net Position**

June 30, 2020

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	85,793
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	181,310
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	179,610

Total current liabilities446,713**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	-
Unearned revenues	1,187,500
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	771,898
Net pension liability	-
Other liabilities	-

Total noncurrent liabilities1,959,398**Total liabilities**2,406,111**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	848,769
Restricted for:	
Nonexpendable – endowments	19,727,210
Expendable:	
Scholarships and fellowships	4,484,280
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	7,958,982
Unrestricted	8,164,224
Total net position	<u><u>41,183,465</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Schedules of Revenues, Expenses, and Changes in Net Position**

June 30, 2020

(for inclusion in the California State University)

Revenues:**Operating revenues:**

Student tuition and fees, gross -

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 -

Scholarship allowances (enter as negative) -

Other operating revenues 1,769,881

Total operating revenues 1,769,881**Expenses:****Operating expenses:**

Instruction 30,363

Research -

Public service -

Academic support -

Student services 2,207,755

Institutional support 1,374,011

Operation and maintenance of plant 44,354

Student grants and scholarships 1,051,457

Auxiliary enterprise expenses -

Depreciation and amortization 40,959

Total operating expenses 4,748,899**Operating income (loss)** (2,979,018)**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 2,504,976

Investment income (loss), net (80,913)

Endowment income (loss), net 480,616

Interest expense -

Other nonoperating revenues (expenses) - excl. interagency transfers 197,177

Net nonoperating revenues (expenses) 3,101,856**Income (loss) before other revenues (expenses)** 122,838

State appropriations, capital -

Grants and gifts, capital -

Additions (reductions) to permanent endowments 2,304,764

Increase (decrease) in net position 2,427,602**Net position:**

Net position at beginning of year, as previously reported 38,755,863

Restatements -

Net position at beginning of year, as restated 38,755,863**Net position at end of year** 41,183,465

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2020

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Noncurrent restricted cash and cash equivalents		-
Current cash and cash equivalents		8,121,592
Total		<u>8,121,592</u>

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Fair Value
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	824,416	824,416
U.S. agency securities	-	232,163	232,163
U.S. treasury securities	-	271,270	271,270
Municipal bonds	-	-	-
Corporate bonds	-	3,443,423	3,443,423
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	12,719,626	12,719,626
Exchange traded funds	-	-	-
Equity securities	-	7,969,985	7,969,985
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	6,916,108	6,916,108
Managed futures	-	-	-
Real estate investments (including REITs)	-	-	-
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment	-	506,208	506,208
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Total Other investments	-	-	-
Total investments	-	32,883,199	32,883,199
Less endowment investments (enter as negative number)		(25,266,863)	(25,266,863)
Total investments, net of endowments	\$ -	7,616,336	7,616,336

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2020

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	824,416	-	824,416	-	-
U.S. agency securities	232,163	-	232,163	-	-
U.S. treasury securities	271,270	-	271,270	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	3,443,423	-	296,918	-	3,146,505
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	12,719,626	12,719,626	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	7,969,985	47,729	-	-	7,922,256
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	6,916,108	-	-	-	6,916,108
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment	506,208	-	-	-	506,208
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other investments	\$ -	-	-	-	-
Total investments	32,883,199	12,767,355	1,624,767	-	18,491,077

2.3 Investments held by the University under contractual agreements:

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2020

(for inclusion in the California State University)

3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ 3,139	-	-	-	\$ 3,139	-	-	-	\$ 3,139
Works of art and historical treasures	205,263	-	-	-	205,263	-	-	-	205,263
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Other intangible assets	15,500	-	-	-	15,500	-	-	-	15,500
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	15,500	-	-	-	15,500	-	-	-	15,500
Total intangible assets	15,500	-	-	-	15,500	-	-	-	15,500
Total non-depreciable/non-amortizable capital assets	\$ 223,902	-	-	-	\$ 223,902	-	-	-	\$ 223,902
Depreciable/Amortizable capital assets:									
Buildings and building improvements	1,356,171	-	-	-	1,356,171	-	-	-	1,356,171
Improvements, other than buildings	72,963	-	-	-	72,963	-	-	-	72,963
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	232,323	-	-	-	232,323	-	-	-	232,323
Personal property:									
Equipment	1,598,724	-	-	-	1,598,724	-	(26,949)	-	1,571,775
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	3,260,181	-	-	-	3,260,181	-	(26,949)	-	3,233,232
Total capital assets	\$ 3,484,083	-	-	-	\$ 3,484,083	-	(26,949)	-	\$ 3,457,134

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

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Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

Buildings and building improvements	(620,164)	-	-	-	(620,164)	(34,208)	-	-	(654,372)
Improvements, other than buildings	(37,242)	-	-	-	(37,242)	(3,648)	-	-	(40,890)
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(232,323)	-	-	-	(232,323)	-	-	-	(232,323)
Personal property:									
Equipment	(1,704,626)	-	-	-	(1,704,626)	(3,103)	26,949	-	(1,680,780)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(2,594,355)	-	-	-	(2,594,355)	(40,959)	26,949	-	(2,608,365)
Total capital assets, net	\$ 889,728	-	-	-	\$ 889,728	(40,959)	-	-	848,769

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 40,959
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 40,959

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2020

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Reclass ifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ -	-	-	-	-	\$ -	-	\$ -
2. Claims liability for losses and loss adjustment	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	\$ -	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	\$ -	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	\$ -	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ -	-	-	-	-	\$ -	-	\$ -

5 Capital lease obligations schedule:

	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:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
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 obligations, net of current portion									\$ -

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

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(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	\$ -	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	370,701
Payments to University for other than salaries of University personnel	1,570,269
Payments received from University for services, space, and programs	580,057
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)	(97,705)
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	56,268
Other amounts receivable from University (enter as positive number)	

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

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June 30, 2020

(for inclusion in the California State University)

8 Restatements

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

		Debit/(Credit)
Restatement #1	Enter transaction description	-
		-
		-
		-
		-
		-
		-
		-
		-
		-
		-
Restatement #2	Enter transaction description	-
		-
		-
		-
		-
		-
		-
		-
		-
		-
		-

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	5,037	73	-	-	-	25,253	-	30,363
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	413,502	118,928	-	-	-	1,675,325	-	2,207,755
Institutional support	-	196,228	-	-	-	1,177,783	-	1,374,011
Operation and maintenance of plant	-	-	-	-	-	44,354	-	44,354
Student grants and scholarships	-	-	-	-	1,051,457	-	-	1,051,457
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	40,959	40,959
Total operating expenses	\$ 418,539	315,229	-	-	1,051,457	2,922,715	40,959	4,748,899

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2020

(for inclusion in the California State University)

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

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

2. Deferred Inflows of Resources

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

California State University, Bakersfield Student-centered Enterprises, Inc.

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.
Financial Statements with Supplemental Information
Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee of
California State University, Bakersfield Student-centered Enterprises, Inc.

We have audited the accompanying financial statements of California State University, Bakersfield Student-centered Enterprises, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, 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 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-centered Enterprises, Inc. as of June 30, 2020 and 2019, 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

Emphasis of Matter

As described in Note 1 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to that matter.

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 15-28 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 23, 2020

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Statements of Financial Position**

June 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash	\$ 2,840,364	\$ 1,669,523
Accounts receivable, net of allowance for doubtful accounts of \$164 (2020 and 2019)	47,441	106,828
Due from related parties	<u>1,137,321</u>	<u>43,421</u>
Total Current Assets	4,025,126	1,819,772
Property and Equipment, net of accumulated depreciation	<u>1,369,503</u>	<u>1,533,942</u>
Total Assets	<u>\$ 5,394,629</u>	<u>\$ 3,353,714</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 447,117	\$ 247,826
Due to related parties	<u>2,281,323</u>	<u>242,226</u>
Total Current Liabilities	2,728,440	490,052
Net Assets - Without Donor Restrictions	<u>2,666,189</u>	<u>2,863,662</u>
Total Liabilities and Net Assets	<u>\$ 5,394,629</u>	<u>\$ 3,353,714</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Statements of Activities**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and Support Without Donor Restrictions:		
Student fees	\$ 3,854,589	\$ 2,789,334
In-kind revenue	1,454,370	1,395,270
Housing administration fee	940,341	-
Grants	379,359	-
Facility rental	368,109	269,328
Parent fees	311,103	-
Other operating revenues	90,601	141,618
Membership fees	47,066	71,280
	<u>7,445,538</u>	<u>4,666,830</u>
Total Revenue and Support Without Donor Restrictions	7,445,538	4,666,830
Expenses:		
Program services:		
Student Union	515,541	606,344
Student Recreation Center	3,193,861	3,079,078
Housing and Residential Life	1,152,247	-
Children's Center	746,469	-
Supporting services - General and administrative	2,018,124	913,768
	<u>7,626,242</u>	<u>4,599,190</u>
Total Expenses	7,626,242	4,599,190
Change in Operations Before Transfer	(180,704)	67,640
Transfer of Net Deficit, Children's Center (Note 10)	(16,769)	-
	<u>(197,473)</u>	<u>67,640</u>
Change in Net Assets	(197,473)	67,640
Net Assets - Without Donor Restrictions, beginning	<u>2,863,662</u>	<u>2,796,022</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 2,666,189</u>	<u>\$ 2,863,662</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services					General and Administrative	Total
	Student Union	Student Recreation Center	Housing and Residential Life	Children's Center	Total		
Salaries and wages	\$ 158,423	\$ 1,057,705	\$ 388,475	\$ 452,244	\$ 2,056,847	\$ 999,362	\$ 3,056,209
Occupancy	268,320	1,378,231	249,325	59,624	1,955,500	88,235	2,043,735
Employee benefits	14,801	173,360	118,111	174,544	480,816	549,649	1,030,465
Supplies	42,187	236,126	195,467	53,131	526,911	37,720	564,631
Depreciation	-	253,166	-	1,931	255,097	6,840	261,937
Repairs and maintenance	24,797	19,091	174,377	3,738	222,003	-	222,003
Miscellaneous	-	2,212	134	-	2,346	123,540	125,886
Insurance	-	-	-	-	-	120,273	120,273
Accounting	-	-	-	-	-	39,450	39,450
Information technology	487	16,842	4,622	-	21,951	31,022	52,973
Minor equipment	-	30,268	14,632	-	44,900	-	44,900
Advertising and Promotion	525	13,609	2,610	-	16,744	-	16,744
Travel	4,880	9,879	-	1,077	15,836	-	15,836
Professional fees	-	-	-	-	-	12,664	12,664
Office expense	1,121	1,977	3,774	180	7,052	-	7,052
Dues and subscriptions	-	-	-	-	-	6,211	6,211
Conference, conventions, and meetings	-	1,395	720	-	2,115	3,158	5,273
Total expenses	\$ 515,541	\$ 3,193,861	\$ 1,152,247	\$ 746,469	\$ 5,608,118	\$ 2,018,124	\$ 7,626,242

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services				
	Student			General and Administrative	Total
	Student Union	Recreation Center	Total		
Occupancy	\$ 297,539	\$ 1,336,702	\$ 1,634,241	\$ 45,198	\$ 1,679,439
Salaries and wages	163,106	1,030,885	1,193,991	427,877	1,621,868
Employee benefits	26,186	155,919	182,105	235,333	417,438
Supplies	70,263	222,959	293,222	33,747	326,969
Depreciation	-	195,355	195,355	15,867	211,222
Miscellaneous	-	-	-	64,755	64,755
Repairs and maintenance	35,704	28,126	63,830	-	63,830
Minor equipment	670	36,830	37,500	-	37,500
Insurance	-	-	-	37,054	37,054
Travel	5,999	18,076	24,075	11,699	35,774
Information technology	1,751	30,720	32,471	1,088	33,559
Accounting	-	-	-	24,500	24,500
Advertising and Promotion	1,200	12,978	14,178	-	14,178
Conference, conventions, and meetings	-	5,273	5,273	4,007	9,280
Dues and subscriptions	1,613	1,743	3,356	5,443	8,799
Professional fees	-	-	-	7,200	7,200
Office expense	2,313	3,512	5,825	-	5,825
	<u>2,313</u>	<u>3,512</u>	<u>5,825</u>	<u>-</u>	<u>5,825</u>
Total expenses	\$ <u>606,344</u>	\$ <u>3,079,078</u>	\$ <u>3,685,422</u>	\$ <u>913,768</u>	\$ <u>4,599,190</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Statements of Cash Flows**

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (197,473)	\$ 67,640
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	261,937	211,222
Transfer of Children's Center	16,769	-
Changes in operating assets and liabilities:		
Accounts receivable, net	69,758	(47,539)
Due from related parties	(1,093,900)	(23,202)
Accounts payable and accrued expenses	178,262	62,807
Due to related parties	2,039,097	(166,199)
Due to other funds	(17,529)	-
	<u>1,256,921</u>	<u>104,729</u>
Net Cash Provided by Operating Activities	1,256,921	104,729
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	<u>(86,080)</u>	<u>(921,584)</u>
	1,170,841	(816,855)
Net Increase (Decrease) in Cash	1,170,841	(816,855)
Cash, beginning	<u>1,669,523</u>	<u>2,486,378</u>
Cash, ending	<u>\$ 2,840,364</u>	<u>\$ 1,669,523</u>
Transfer of Children's Center program on July 1, 2019 (Note 10):		
Accounts receivable	\$ 10,371	\$ -
Property and equipment, net of accumulated depreciation	11,418	-
Due to other funds	(17,529)	-
Accounts payable	(18,000)	-
Accrued expenses	(3,029)	-
	<u>(16,769)</u>	<u>-</u>
Net Transfer	<u>\$ (16,769)</u>	<u>\$ -</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield Student-centered Enterprises, Inc. (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 (Student Union) 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 also operates a student recreation center (Student Recreation Center) to allow students to achieve physical and mental well-being through a variety of programs and services.

Effective July 1, 2019, both the children's center and student housing and residential life operations were transferred to the Organization (see Note 10). The California State University, Bakersfield Student-centered Enterprises, Inc. Children's Center (Children's Center) provides on-campus daycare services to students attending California State University, Bakersfield as well as the community and staff and faculty of the University. Student housing and residential life operations was designed to create a holistic, student centered housing experience, in which students have access to faculty, engaging and social activities, and are able to access support easily and often.

The Organization's primary sources of revenue are student fees and housing administration fees.

In February 2020, the entity changed its name from California State University, Bakersfield Student Union to California State University, Bakersfield Student-centered Enterprises, Inc.

New Accounting Pronouncement

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This standard update clarifies and improves the scope and the accounting guidance for contributions received and contributions made under U.S. generally accepted accounting principles (US GAAP). Effective July 1, 2019, the Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*.

Management has analyzed the provisions of the FASB's ASC Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and has concluded that no changes are necessary to conform with the new standard.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with US GAAP, which require the Organization to report information regarding their financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2020 and 2019.

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.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

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 US GAAP 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, 2020 and 2019 and therefore no amounts have been accrued.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts.

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.

Student Fees

Each matriculated student of the University was required to pay \$346 and \$301 per semester for student fees for the years ended June 30, 2020 and 2019, respectively. These payments support the Organization's operations and are recognized as revenue when transferred to the Organization.

Housing Administration Fee

The Organization receives an administration fee from the University for management of student housing and residential life operations. These payments support the Organization's operations and are recognized as revenue when transferred to the Organization.

Advertising

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

Functional Expense Allocations

The Organization's accounting system is established to record expenses by fund, department and natural expense. Expense function is determined by fund alone or a combination of fund and department. Each fund has expenses that are programmatic and general and administrative in nature and certain costs initially captured within the funds, such as director and support staff salaries and benefits, accounting costs, general insurance and bank fees, are presented as general and administrative instead of program costs.

Future Accounting Standards

FASB has issued two substantial ASUs which will become effective in future years.

The amendments in ASU 2014-09 *Revenue from Contracts with Customers* and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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

Future Accounting Standards, continued

Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The Organization is in the process of assessing how this new ASU and subsequent updates will affect the Organization's reporting of revenues, effective July 1, 2020. This assessment includes determining the effect of the new standard on the Organization's financial statements, accounting systems, business processes, and internal controls. Based on its assessment to date, the Organization does not currently expect adoption to have a material effect on its revenues. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

The Organization has evaluated subsequent events through September 23, 2020, which is the date the financial statements were available to be issued.

COVID-19 caused a dramatic adjustment in the way the Organization delivered services to students. The Student Recreation Center was forced to transition from physical and face-to-face rendering of programming to a virtual delivery of programming for students. Student Housing was forced to close before the end of the semester. This resulted in a mass exodus of students from the resident halls accompanied with a prorated refund of fees. The Children's Center was forced to close to curve the spread of the virus. Lastly, the Student Union remained open as an essential service. However, the only staff members onsite were the Assistant Vice President for Student Affairs and the Lead Custodian.

Note 2 – Liquidity and Availability

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the statement of financial position date.

	<u>2020</u>	<u>2019</u>
Cash	\$ 2,840,364	\$ 1,669,523
Accounts receivable, net	47,441	106,828
Due from related parties	<u>1,137,321</u>	<u>43,421</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,025,126</u>	<u>\$ 1,819,772</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 2 – Liquidity and Availability, continued

The Organization is substantially supported by student fees collected by the University and are subsequently transferred to the Organization. These fees carry no donor restrictions, and therefore, all financial assets are available for general expenditure within one year. Fees collected by the University that have not been transferred to the Organization by year end are designated for non-operational purposes including, but not limited to, debt service, capital improvements, facilities expansion and new construction. These remainder funds are invested in the campus SWIFT short-term investment account. The Organization has no other liquid assets available from which to draw.

Note 3 – Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

Note 4 – Property and Equipment

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 1,753,744	\$ 1,667,662
Leasehold improvements	<u>1,022,241</u>	<u>1,010,825</u>
	2,775,985	2,678,487
Less accumulated depreciation	<u>(1,406,482)</u>	<u>(1,144,545)</u>
	<u>\$ 1,369,503</u>	<u>\$ 1,533,942</u>

Note 5 – Student 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 Organization, 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 Organization for purpose of operating the Organization. In accordance with the Bond Resolution, the Organization received student union fees in the amounts of \$3,691,445 and \$2,789,334 for the years ended June 30, 2020 and 2019, respectively. Additionally, Children's Center related student fees in the amount of \$163,144 were remitted to the Organization for the year ended June 30, 2020. The Children's Center was an operation of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Sponsored Programs Administration) for the year ended June 30, 2019.

Note 6 – Housing Administration Fee

In August 2014, CSU Bakersfield issued bonds to finance the construction, repair and maintenance of additional student housing. As part of the current arrangement between the University and the Organization, revenue is generated from fees collected for the use of the residence facilities, which is used to service the bonds. Available balances are transferred to the Organization for use in current operating expenses and maintenance and improvements to facilities. The Organization received an administration fee in the amount of \$940,341 for the year ended June 30, 2020. Student housing and residential life was an operation of the University for the year ended June 30, 2019.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 7 – Operating Leases

The Organization leases office spaces to various organizations under non-cancelable agreements expiring at various dates through June 2024. Those leases require monthly payments of \$1,250 to \$2,647 or quarterly payments ranging from \$20,757 to \$22,021. 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, 2020 are due as follows:

Year Ending June 30,	
2021	\$ 114,676
2022	115,554
2023	44,014
2024	31,769
Thereafter	<u>-</u>
	<u>\$ 306,013</u>

Note 8 – Commitments/In-Kind Contributions

The Organization leases the campus union, recreation center, and Children’s Center facilities under non-cancelable operating agreements and leases from the Trustees of the California State University. The campus union, recreation center, and Children’s Center leases expire on June 30, 2024. In exchange for managing and operating the campus union, recreation center, and Children’s Center facilities, the Organization pays no rent. The estimated fair market value of this rent is \$1,454,370 and \$1,395,270 for the years ended June 30, 2020 and 2019 and has been recognized as an in-kind contribution and an operating expense in the statements of activities.

In addition, the Organization has entered into various agreements for the maintenance of facilities and equipment under non-cancelable agreements expiring at various dates through July 2021, including one with the University.

Minimum future payments as of June 30, 2020 are due as follows:

Year Ending June 30,	
2021	\$ 49,000
Thereafter	<u>-</u>
	<u>\$ 49,000</u>

Total rental expense was \$1,467,839 and \$1,411,985 for the years ended June 30, 2020 and 2019, respectively.

Note 9 – 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 had non-cancelable agreements with the University for the University to provide custodial services to the Organization for \$15,385 per month and landscape maintenance services for \$13,800 annually which expired June 30, 2020. The Organization and the University are currently in the process of renegotiating these contracts.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 9 – Related Party Transactions, continued

Sponsored Programs Administration functions to benefit the student body of the University by administering grants on behalf of the campus.

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.

Associated Students and the University lease office space from the Organization (see Note 7).

Related party transactions as of and for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Revenue:		
Cost Recoveries:		
University	\$ 3,739,855	\$ 2,796,866
Sponsored Programs Administration	102,604	1,750
Foundation	4,711	32,191
Associated Students	<u>164,279</u>	<u>447</u>
Total Cost Recoveries	<u>4,011,449</u>	<u>2,831,254</u>
Facility Rental:		
University	56,875	88,699
Sponsored Programs Administration	28,030	19,726
Foundation	6,117	41,480
Associated Students	<u>39,052</u>	<u>13,742</u>
Total Facility Rental	<u>130,074</u>	<u>163,647</u>
	<u>\$ 4,141,523</u>	<u>\$ 2,994,901</u>
Expense:		
Services from other agencies:		
University	\$ 4,675,640	\$ 2,495,300
Sponsored Programs Administration	4,977	35,000
Foundation	3,220	5,506
Associated Students	<u>11,060</u>	<u>14,642</u>
	<u>\$ 4,694,897</u>	<u>\$ 2,550,448</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 9 – Related Party Transactions, continued

	<u>2020</u>	<u>2019</u>
Due from related parties:		
University	\$ 1,132,975	\$ 10,615
Foundation	3,966	31,670
Associated Students	<u>380</u>	<u>1,136</u>
	<u>\$ 1,137,321</u>	<u>\$ 43,421</u>
Due to related parties:		
University	\$ 2,280,523	\$ 206,902
Sponsored Programs Administration	-	35,000
Foundation	-	324
Associated Students	<u>800</u>	<u>-</u>
	<u>\$ 2,281,323</u>	<u>\$ 242,226</u>

Note 10 – Transfer of Children’s Center and Student Housing and Residential Life

In fiscal year 2019, the Board of Directors of the Organization and Sponsored Programs Administration approved the transfer of the California State University, Bakersfield Auxiliary for Sponsored Programs Children’s Center contracts for preschool, childcare and development, and the nutrition program to the Organization. The transfer was approved by the California Department of Education in fiscal year 2020 with an effective date of July 1, 2019.

In December 2019, the Board of Directors of the Organization and the University approved the transfer of the student housing and residential life operations to the Organization. The effective date of the transfer was July 1, 2019. The buildings and related assets and debt remain with the University.

Note 11 – Commitments and Contingencies

From time to time, the Organization is subject to various litigation as a result of their activities. Management believes that the outcome of any such litigation will not have a material adverse effect on the Organization’s financial position, changes in net assets, or liquidity.

Note 12 – Reclassifications

Certain items in the 2019 financial statements have been reclassified to conform to current year classifications, specifically the natural and functional classifications in the statement of functional expenses and schedule of activities by fund. Such reclassifications had no effect on previously reported changes in net assets.

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.

Schedule of Activities by Fund

Year Ended June 30, 2020

	Student Union	Student Recreation Center	Housing and Residential Life	Children's Center	Total
Revenue and Support Without Donor Restrictions:					
Student fees	\$ 972,225	\$ 2,719,220	\$ -	\$ 163,144	\$ 3,854,589
In-kind revenue	268,320	1,126,950	-	59,100	1,454,370
Housing administration fee	-	-	940,341	-	940,341
Grants	-	-	-	379,359	379,359
Facility rental	124,474	79,698	163,937	-	368,109
Parent fees	-	-	-	311,103	311,103
Other operating revenues	1,742	32,480	50,106	6,273	90,601
Membership fees	-	47,066	-	-	47,066
Total Revenue and Other Support Without Donor Restrictions	<u>1,366,761</u>	<u>4,005,414</u>	<u>1,154,384</u>	<u>918,979</u>	<u>7,445,538</u>
Expenses:					
Program services	515,541	3,193,861	1,152,247	746,469	5,608,118
Supporting services - General and administrative	671,456	292,796	823,506	230,366	2,018,124
Total Expenses	<u>1,186,997</u>	<u>3,486,657</u>	<u>1,975,753</u>	<u>976,835</u>	<u>7,626,242</u>
Change in operations before transfer	179,764	518,757	(821,369)	(57,856)	(180,704)
Transfer of Net Deficit, Children's Center	-	-	-	(16,769)	(16,769)
Change in Net Assets	179,764	518,757	(821,369)	(74,625)	(197,473)
Net Assets - Without Donor Restrictions, beginning	<u>1,083,777</u>	<u>1,779,885</u>	<u>-</u>	<u>-</u>	<u>2,863,662</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 1,263,541</u>	<u>\$ 2,298,642</u>	<u>\$ (821,369)</u>	<u>\$ (74,625)</u>	<u>\$ 2,666,189</u>

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Activities by Fund**

Year Ended June 30, 2019

	Student Union	Student Recreation Center	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue and Support Without Donor Restrictions:			
Student fees	\$ 933,520	\$ 1,855,814	\$ 2,789,334
In-kind contribution	268,320	1,126,950	1,395,270
Facility rental	156,708	112,620	269,328
Other	43,028	98,590	141,618
Membership fees	-	71,280	71,280
	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Other Support Without Donor Restrictions	1,401,576	3,265,254	4,666,830
Expenses:			
Program services	606,344	3,079,078	3,685,422
Supporting services - General and administrative	603,473	310,295	913,768
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	1,209,817	3,389,373	4,599,190
Change in Net Assets	191,759	(124,119)	67,640
Net Assets - Without Donor Restrictions, beginning	892,018	1,904,004	2,796,022
	<u> </u>	<u> </u>	<u> </u>
Net Assets - Without Donor Restrictions, ending	\$ 1,083,777	\$ 1,779,885	\$ 2,863,662
	<u> </u>	<u> </u>	<u> </u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Student-centered Enterprises, Inc. Revenue Bonds, Series A**

Year Ended June 30, 2020

(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, 2020 is \$37,734,831 which has been used to finance the Student Union, Student Housing, 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, 2020 consist of the following:

Description	Interest Rate	Fiscal Year Maturity Date	Original Issue Amount	Amount Outstanding at June 30, 2020
Systemwide revenue bonds:				
Series 2012A (Student Union)	4.00-5.00%	2023	\$ 895,000	\$ 305,000
Series 2014A (Student Housing)	3.00-5.00%	2045	29,970,000	27,495,000
Series 2016A (Student Union)	2.00-5.00%	2039	17,040,000	16,050,000
			Total	43,850,000
			Unamortized bond discount	(6,115,169)
			Total SRB debt obligations	\$ 37,734,831

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

Year ending June 30:	Principal	Interest	Total
2021	\$ 1,185,000	\$ 2,115,650	\$ 3,300,650
2022	1,250,000	2,055,775	3,305,775
2023	1,310,000	1,992,300	3,302,300
2024	1,260,000	1,928,050	3,188,050
2025	1,330,000	1,863,300	3,193,300
2026-2030	7,745,000	8,220,375	15,965,375
2031-2035	9,940,000	6,026,250	15,966,250
2036-2040	11,300,000	3,395,400	14,695,400
2041-2045	8,530,000	1,108,750	9,638,750
Total	\$ 43,850,000	\$ 28,705,850	\$ 72,555,850

The original capitalized cost of buildings, improvements, and equipment at completion of construction was recorded by the California State University. The student union and student recreation assets are leased to the Organization. The lease, which expires on June 30, 2024, provides no annual rental fee. In lieu of a leasing arrangement related to student housing, the Organization receives an administration fee for managing student housing and residential life operations.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Net Position**

June 30, 2020

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	\$	2,840,364
Short-term investments		-
Accounts receivable, net		1,184,762
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		-
Total current assets		4,025,126

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		1,369,503
Other assets		-
Total noncurrent assets		1,369,503
Total assets		5,394,629

Deferred outflows of resources:

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Net Position**

June 30, 2020

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	261,565
Accrued salaries and benefits	-
Accrued compensated absences, current portion	185,552
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	2,281,323

Total current liabilities2,728,440**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**2,728,440**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	1,369,503
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	1,296,686

Total net position\$ 2,666,189

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2020

(for inclusion in the California State University)

Revenues:**Operating revenues:**

Student tuition and fees, gross \$ 3,854,589

Scholarship allowances (enter as negative) -

Grants and contracts, noncapital:

Federal 61,551

State 314,883

Local 2,925

Nongovernmental -

Sales and services of educational activities -

Sales and services of auxiliary enterprises, gross 816,879

Scholarship allowances (enter as negative) -

Other operating revenues 2,394,711

Total operating revenues 7,445,538**Expenses:****Operating expenses:**

Instruction -

Research -

Public service -

Academic support -

Student services 7,364,305

Institutional support -

Operation and maintenance of plant -

Student grants and scholarships -

Auxiliary enterprise expenses -

Depreciation and amortization 261,937

Total operating expenses 7,626,242**Operating income (loss)** (180,704)**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 (16,769)

Net nonoperating revenues (expenses) (16,769)**Income (loss) before other revenues (expenses)** (197,473)

State appropriations, capital -

Grants and gifts, capital -

Additions (reductions) to permanent endowments -

Increase (decrease) in net position (197,473)**Net position:**

Net position at beginning of year, as previously reported 2,863,662

Restatements -

Net position at beginning of year, as restated 2,863,662**Net position at end of year** \$ 2,666,189

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2.2 Fair value hierarchy in investments:

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

2.3 Investments held by the University under contractual agreements:

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

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3.1 Composition of capital assets:

	Balance June 30, 2019	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2019 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2020
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	418,870	-	-	-	418,870	-	-	-	418,870
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	591,954	-	-	-	591,954	11,416	-	-	603,370
Personal property:									
Equipment	1,667,663	-	-	-	1,667,663	86,082	-	-	1,753,745
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	2,678,487	-	-	-	2,678,487	97,498	-	-	2,775,985
Total capital assets	\$ 2,678,487	-	-	-	\$ 2,678,487	\$ 97,498	-	-	\$ 2,775,985

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Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	(206,440)	-	-	-	(206,440)	(41,887)	-	-	(248,327)
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(341,332)	-	-	-	(341,332)	(41,691)	-	-	(383,023)
Personal property:									
Equipment	(596,773)	-	-	-	(596,773)	(178,359)	-	-	(775,132)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(1,144,545)	-	-	-	(1,144,545)	(261,937)	-	-	(1,406,482)
Total capital assets, net	\$ 1,533,942	-	-	-	\$ 1,533,942	(164,439)	-	-	1,369,503

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 261,937
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 261,937

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4 Long-term liabilities:

	Balance June 30, 2019	Prior Period Adjustments/Recla ssifications	Balance June 30, 2019 (Restated)	Additions	Reductions	Balance June 30, 2020	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 78,552	-	78,552	172,067	(65,067)	\$ 185,552	\$ 185,552	-
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	-	-	-	-	-
4.3 Notes payable (SRB related)	-	-	-	-	-	-	-	-
4.4 Others:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 78,552	-	78,552	172,067	(65,067)	\$ 185,552	\$ 185,552	-

5 Capital lease obligations schedule:

	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:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
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 obligations, net of current portion									-

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6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total minimum payments	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
Present value of future minimum payments									-
Unamortized net premium/(discount)									-
Total long-term debt obligations									-
Less: current portion									-
Long-term debt obligations, net of current portion									-

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	4,021,958
Payments to University for other than salaries of University personnel	653,682
Payments received from University for services, space, and programs	3,796,730
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)	(2,280,523)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	1,132,975
Other amounts receivable from University (enter as positive number)	-

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8 Restatements

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

		Debit/(Credit)
Restatement #1	Enter transaction description	
		-
Restatement #2	Enter transaction description	
		-

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	3,056,209	563,614	466,851	-	-	3,277,631	-	7,364,305
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	261,937	261,937
Total operating expenses	\$ 3,056,209	563,614	466,851	-	-	3,277,631	261,937	7,626,242

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10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

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

2. Deferred Inflows of Resources

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