



## Chapter 8

# UNIVERSITY AUXILIARY ORGANIZATION AUDITED FINANCIAL STATEMENTS 2021-2022

- 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

Year Ended June 30, 2022





**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**  
**Financial Statements and Supplemental Information**  
Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinion***

We have audited the accompanying financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Associated Students, California State University, Bakersfield, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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



## INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Students, California State University, Bakersfield, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 13-23 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 supplemental 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 16, 2022, on our consideration of Associated Students, California State University, Bakersfield, Inc.'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 16, 2022

**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Statement of Financial Position**

June 30, 2022

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**ASSETS**

Current Assets:

|                          |    |            |
|--------------------------|----|------------|
| Cash                     | \$ | 3,642,541  |
| Accounts receivable, net |    | 1,439      |
| Due from related parties |    | 13,824     |
| Prepaid expenses         |    | <u>708</u> |

Total Current Assets 3,658,512

Property and Equipment, net of accumulated depreciation 839

Total Assets \$ 3,659,351

**LIABILITIES AND NET ASSETS**

Current Liabilities:

|                                       |    |                |
|---------------------------------------|----|----------------|
| Accounts payable and accrued expenses | \$ | 70,031         |
| Due to related parties                |    | <u>220,540</u> |

Total Current Liabilities 290,571

Net Assets - Without Donor Restrictions 3,368,780

Total Liabilities and Net Assets \$ 3,659,351



**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Statement of Activities**

Year Ended June 30, 2022

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Revenue and Support Without Donor Restrictions:

|                                       |                |
|---------------------------------------|----------------|
| Associated student body fees          | \$ 3,780,237   |
| University contract services (Note 6) | 510,024        |
| Miscellaneous                         | <u>106,549</u> |

Total Revenue and Support Without Donor Restrictions 4,396,810

Expenses:

|  |                |
|--|----------------|
| Program services - student services              | 3,997,562      |
| Supporting services - general and administrative | <u>386,934</u> |

Total Expenses 4,384,496

Change in Net Assets 12,314

Net Assets - Without Donor Restrictions, beginning 3,356,466

Net Assets - Without Donor Restrictions, ending \$ 3,368,780

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

Year Ended June 30, 2022

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|                                       | <u>Student<br/>Services</u> | <u>General and<br/>Administrative</u> | <u>Total</u>                |
|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| Scholarships                          | \$ 2,608,814                | \$ -                                  | \$ 2,608,814                |
| University contract expenses (Note 6) | 177,427                     | 332,597                               | 510,024                     |
| Supplies                              | 442,349                     | 16,950                                | 459,299                     |
| Travel                                | 418,377                     | 9,166                                 | 427,543                     |
| Transfer of student fees              | 151,421                     | -                                     | 151,421                     |
| Insurance                             | 132,326                     | 1,163                                 | 133,489                     |
| Minor equipment                       | 28,056                      | -                                     | 28,056                      |
| Accounting                            | -                           | 20,800                                | 20,800                      |
| Information technology                | 17,000                      | -                                     | 17,000                      |
| Space rental                          | 11,083                      | -                                     | 11,083                      |
| Office expense                        | 5,773                       | 782                                   | 6,555                       |
| Conference, conventions, and meetings | 2,975                       | 249                                   | 3,224                       |
| Dues and subscriptions                | 620                         | 2,604                                 | 3,224                       |
| Utilities                             | -                           | 2,111                                 | 2,111                       |
| Depreciation                          | 1,341                       | -                                     | 1,341                       |
| Advertising and promotion             | -                           | 444                                   | 444                         |
| Repairs and maintenance               | -                           | 68                                    | 68                          |
|                                       | <u>                    </u> | <u>                    </u>           | <u>                    </u> |
| Total expenses                        | <u>\$ 3,997,562</u>         | <u>\$ 386,934</u>                     | <u>\$ 4,384,496</u>         |



**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Statement of Cash Flows**

Year Ended June 30, 2022

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|   |              |
|---|--------------|
| Cash Flows from Operating Activities:   |              |
| Change in net assets  | \$ 12,314    |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |              |
| Depreciation  | 1,341        |
| Changes in operating assets and liabilities:  |              |
| Accounts receivable   | (1,439)      |
| Due from related parties  | 616,035      |
| Prepaid expenses  | 4,028        |
| Accounts payable and accrued expenses   | 21,544       |
| Due to related parties  | 116,920      |
|   | <hr/>        |
| Net Cash Provided by Operating Activities   | 770,743      |
| Cash Flows Provided by Investing Activities:  |              |
| Proceeds from sale of investments   | 54,632       |
|   | <hr/>        |
| Net Increase in Cash  | 825,375      |
| Cash, beginning   | 2,817,166    |
|   | <hr/>        |
| Cash, ending  | \$ 3,642,541 |
|   | <hr/> <hr/>  |

# ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

## Notes to Financial Statements

Year Ended June 30, 2022

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

#### Nature of Activities

The Associated Students, California State University, Bakersfield, Inc. (the 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 associated student body fees. Associated student body fees collected by the University and remitted to the Organization are included in revenue and support without donor restrictions in the statement of activities.

#### New Accounting Pronouncement

In September 2020, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Organization. During the year ended June 30, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*.

Management has analyzed the provisions of the FASB's ASU Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* and has included the necessary disclosure in Note 6.

#### Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires 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, whereby 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 year ended June 30, 2022.

#### Use of Estimates

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

#### Income Taxes

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 U.S. 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 statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2022 and therefore, no amounts have been accrued.



# ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

## Notes to Financial Statements

Year Ended June 30, 2022

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

#### Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

#### Investments

The Organization carried investments in California State University, Bakersfield's U.S. Bank CSU Consolidated Investment Pool. Its purpose is to provide sufficient and immediate liquidity to meet the operating needs of the Organization. The investment objective is to achieve prudent return within a moderate risk level. The fair value is determined using quoted market prices. 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. During the year ended June 30, 2022, the Organization liquidated its position in the CSU Consolidated investment pool, therefore, no investments are reported at June 30, 2022.

#### 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 a price concession for uncollectible amounts. For the year ended June 30, 2022, no price concession for uncollectible amounts was considered necessary.

#### 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 five years.

#### Revenue Recognition

Each matriculated student of the University was required to pay associated student body fees of \$204 per Fall and Spring semester and \$122 per Summer semester for the year ended June 30, 2022. Fees are due and collectable prior to the first day of the academic semester. These payments, collected by the University then transferred to the Organization, support the Organization's program activities and are recognized by the Organization when cash receipts are received on a ratable basis over the academic semester, which is when the program services are delivered. The Organization may not receive the full amount of fees charged to students if amounts remain uncollected.

Miscellaneous revenue is primarily composed of chartered club activities. Revenue is recognized at a point in time when the transfer of the goods occurs, or the student attends the event.

#### 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 a combination of fund and department. With the exception of the student club fund, all other funds have expenses that are programmatic and general and administrative in nature.

# ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

## Notes to Financial Statements

Year Ended June 30, 2022

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

#### Future Accounting Standards

The FASB has issued a substantial ASU, which will become effective during the year ended June 30, 2023.

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 16, 2022, which is the date the financial statements were available to be issued.

### 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.

|  |                     |
|--|---------------------|
| Cash   | \$ 3,642,541        |
| Accounts receivable, net   | 1,439               |
| Due from related parties   | <u>13,824</u>       |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 3,657,804</u> |

The Organization is substantially supported by associated student body 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. 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. The Organization manages this risk by using high-quality financial institutions.

# ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

## Notes to Financial Statements

Year Ended June 30, 2022

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### Note 4 - Property and Equipment

Property and equipment consist of the following:

|                               |    |                  |
|-------------------------------|----|------------------|
| Equipment                     | \$ | 53,875           |
| Leasehold improvements        |    | 254,852          |
|                               |    | <u>308,727</u>   |
| Less accumulated depreciation |    | <u>(307,888)</u> |
|                               | \$ | <u>839</u>       |

### Note 5 - Revenue Recognition

#### Significant Judgments

The Organization analyzes revenue recognition on a portfolio approach under ASC Topic 606 *Revenue from Contracts with Customers*. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Organization has determined that, for each distinct revenue stream identified, all contracts can be grouped into one portfolio. Based on past experience, customers within each distinct stream all behave similarly, contracts contain similar terms, and policies are the same across all contracts. The Organization does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each contract separately.

Significant judgment is also required to assess collectability. The Organization assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer's assessed collectability.

### Note 6 - University Contract Services

For the year ended June 30, 2022, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

|                                     |    |                |
|-------------------------------------|----|----------------|
| University employee services:       |    |                |
| Programming services                | \$ | 148,126        |
| General and administrative services |    | 332,598        |
| Rent of University facilities       |    | <u>29,300</u>  |
| Total University contract services  | \$ | <u>510,024</u> |

The Organization recognized contributed nonfinancial assets within revenue including contributed University employee services and rent of University facilities. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services include University employees who provide direct programming services to the Organization including planning, managing and overseeing programming events and activities. Additionally, University employees provide indirect services on behalf of the Organization including; accounting services, human resource services, facility management services, information technology services and other administrative services as appropriate. Contributed services are valued at the estimated fair value in the financial statements based on the estimated employee cost to provide programming, general and administrative services.

## ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

### Notes to Financial Statements

Year Ended June 30, 2022

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#### Note 6 - University Contract Services, continued

The Organization uses University facilities to provide programming activities. The Organization paid no rent to the University and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

#### Note 7 - Related Party Transactions

Associated student body fees are collected by the University and transferred to the Organization. The fees are included in payments received from the University.

The Organization provides scholarships to students, which are recognized as payments to the University. The Organization also reimburses the University for costs incurred to carry out the mission of the Intercollegiate Athletic program and student club activities.

California State University, Bakersfield Foundation (Foundation) functions to benefit the student body of the University by fundraising for University programs and activities. Payments received from the Foundation include receipts supporting the Organization's student body programs and services. Payments to the Foundation are for fundraising activities benefiting University programs and activities.

California State University, Bakersfield, Student-centered Enterprises, Inc. (Student-centered Enterprises) functions to enhance the student experience by operating various programming facilities including a Children's Center. Amounts paid by the Organization to Student-centered Enterprises are for the purpose of providing childcare scholarships to lower income CSU Bakersfield student-parents as well as to support other Student-centered Enterprises programs and services. Payments received from Student-centered Enterprises are to support the Organization's student body programs and services.

Related party transactions as of and for the year ended June 30, 2022 are as follows:

|                              |    |                         |
|------------------------------|----|-------------------------|
| Payments received from:      |    |                         |
| University                   | \$ | 3,780,237               |
| Foundation                   |    | 3,264                   |
| Student-centered Enterprises |    | <u>10,000</u>           |
|                              | \$ | <u><u>3,793,501</u></u> |
| Payments to:                 |    |                         |
| University                   | \$ | 3,674,692               |
| Foundation                   |    | 544                     |
| Student-centered Enterprises |    | <u>157,885</u>          |
|                              | \$ | <u><u>3,833,121</u></u> |

**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Notes to Financial Statements**

Year Ended June 30, 2022

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**Note 7 - Related Party Transactions, continued**

|                              |    |                |
|------------------------------|----|----------------|
| Due from related parties:    |    |                |
| University                   | \$ | <u>13,824</u>  |
| Due to related parties:      |    |                |
| University                   | \$ | 213,981        |
| Foundation                   |    | 444            |
| Student-centered Enterprises |    | <u>6,115</u>   |
|                              | \$ | <u>220,540</u> |

For the year ended June 30, 2022, the Foundation reimbursed the Organization's scholarship payments of \$630,664. The reimbursement is reported in program services – student services on the statement of activities and netted against scholarships expense on the statement of functional expenses.

In addition to the related party transactions noted above, the Organization also recorded University contract services revenue and expense in the amount of \$510,024, as noted in Note 6.

**Note 8 - Contingency**

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.



## SUPPLEMENTAL INFORMATION

**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Schedule of Activities by Fund**

Year Ended June 30, 2022

|   | ASI<br>Administration   | Athletic<br>Referendum | Children's<br>Center<br>Referendum | NCAA<br>Referendum      | Club<br>Referendum    | AVC<br>Referendum     | Chartered<br>Clubs    | Total                   |
|---|-------------------------|------------------------|------------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Revenue and Support Without Donor Restrictions:             |                         |                        |                                    |                         |                       |                       |                       |                         |
| Associated student body fees                                | \$ 281,084              | \$ 485,167             | \$ 149,632                         | \$ 2,776,846            | \$ 18,862             | \$ 68,646             | \$ -                  | \$ 3,780,237            |
| University contract services (Note 6)                       | 285,209                 | 12,602                 | 20,202                             | 12,602                  | 160,207               | 19,202                | -                     | 510,024                 |
| Miscellaneous   | <u>26,442</u>           | <u>-</u>               | <u>-</u>                           | <u>-</u>                | <u>-</u>              | <u>8,000</u>          | <u>72,107</u>         | <u>106,549</u>          |
| <br>Total Revenue and Support Without<br>Donor Restrictions | <br>592,735             | <br>497,769            | <br>169,834                        | <br>2,789,448           | <br>179,069           | <br>95,848            | <br>72,107            | <br>4,396,810           |
| Expenses:   |                         |                        |                                    |                         |                       |                       |                       |                         |
| Program services - student services                         | 263,040                 | 772,671                | 151,421                            | 2,663,905               | 68,253                | 14,543                | 63,729                | 3,997,562               |
| Supporting services - general and administrative            | <u>194,993</u>          | <u>15,023</u>          | <u>21,246</u>                      | <u>26,316</u>           | <u>109,747</u>        | <u>19,609</u>         | <u>-</u>              | <u>386,934</u>          |
| <br>Total Expenses  | <br><u>458,033</u>      | <br><u>787,694</u>     | <br><u>172,667</u>                 | <br><u>2,690,221</u>    | <br><u>178,000</u>    | <br><u>34,152</u>     | <br><u>63,729</u>     | <br><u>4,384,496</u>    |
| <br>Change in Net Assets                                    | <br>134,702             | <br>(289,925)          | <br>(2,833)                        | <br>99,227              | <br>1,069             | <br>61,696            | <br>8,378             | <br>12,314              |
| <br>Net Assets - Without Donor Restrictions, beginning      | <br><u>1,115,777</u>    | <br><u>304,044</u>     | <br><u>4,795</u>                   | <br><u>1,533,486</u>    | <br><u>168,301</u>    | <br><u>111,184</u>    | <br><u>118,879</u>    | <br><u>3,356,466</u>    |
| <br>Net Assets - Without Donor Restrictions, ending         | <br><u>\$ 1,250,479</u> | <br><u>\$ 14,119</u>   | <br><u>\$ 1,962</u>                | <br><u>\$ 1,632,713</u> | <br><u>\$ 169,370</u> | <br><u>\$ 172,880</u> | <br><u>\$ 127,257</u> | <br><u>\$ 3,368,780</u> |

See independent auditor's report.

# ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

## Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

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### Assets:

#### Current assets:

|   |                  |
|---|------------------|
| Cash and cash equivalents                 | 3,642,541        |
| Short-term investments                    | -                |
| Accounts receivable, net                  | 15,263           |
| Lease receivables, current portion        | -                |
| Notes receivable, current portion         | -                |
| Pledges receivable, net                   | -                |
| Prepaid expenses and other current assets | 708              |
| <b>Total current assets</b>               | <b>3,658,512</b> |

#### Noncurrent assets:

|   |                  |
|---|------------------|
| Restricted cash and cash equivalents      | -                |
| Accounts receivable, net                  | -                |
| Lease receivables, 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                       | 839              |
| Other assets                              | -                |
| <b>Total noncurrent assets</b>            | <b>839</b>       |
| <b>Total assets</b>                       | <b>3,659,351</b> |

#### Deferred outflows of resources:

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

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

June 30, 2022

(for inclusion in the California State University)

**Liabilities:****Current liabilities:**

|   |                |
|---|----------------|
| Accounts payable  | 70,031         |
| Accrued salaries and benefits   | -              |
| Accrued compensated absences, current portion                             | -              |
| Unearned revenues   | -              |
| Lease liabilities, current portion  | -              |
| Long-term debt obligations, current portion                               | -              |
| Claims liability for losses and loss adjustment expenses, current portion | -              |
| Depository accounts   | -              |
| Other liabilities   | 220,540        |
| <b>Total current liabilities</b>  | <b>290,571</b> |

**Noncurrent liabilities:**

|  |                |
|--|----------------|
| Accrued compensated absences, net of current portion                             | -              |
| Unearned revenues  | -              |
| Grants refundable  | -              |
| Lease liabilities, net of current portion  | -              |
| Long-term debt obligations, net of current portion                               | -              |
| Claims liability for losses and loss adjustment expenses, net of current portion | -              |
| Depository accounts  | -              |
| Net other postemployment benefits liability                                      | -              |
| Net pension liability  | -              |
| Other liabilities  | -              |
| <b>Total noncurrent liabilities</b>  | <b>-</b>       |
| <b>Total liabilities</b>   | <b>290,571</b> |

**Deferred inflows of resources:**

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

**Net position:**

|                                  |                  |
|----------------------------------|------------------|
| Net investment in capital assets | 839              |
| Restricted for:                  |                  |
| Nonexpendable – endowments       | -                |
| Expendable:                      |                  |
| Scholarships and fellowships     | -                |
| Research                         | -                |
| Loans                            | -                |
| Capital projects                 | -                |
| Debt service                     | -                |
| Others                           | -                |
| Unrestricted                     | 3,367,941        |
| <b>Total net position</b>        | <b>3,368,780</b> |

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

Year Ended June 30, 2022

(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                           | 4,396,810 |

**Total operating revenues** 4,396,810

**Expenses:****Operating expenses:**

|                                    |           |
|------------------------------------|-----------|
| Instruction                        | -         |
| Research                           | -         |
| Public service                     | -         |
| Academic support                   | -         |
| Student services                   | 1,774,341 |
| Institutional support              | -         |
| Operation and maintenance of plant | -         |
| Student grants and scholarships    | 2,608,814 |
| Auxiliary enterprise expenses      | -         |
| Depreciation and amortization      | 1,341     |

**Total operating expenses** 4,384,496

**Operating income (loss)** 12,314

**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)                     | - |

**Net nonoperating revenues (expenses)** -

**Income (loss) before other revenues (expenses)** 12,314

State appropriations, capital -

Grants and gifts, capital -

Additions (reductions) to permanent endowments -

**Increase (decrease) in net position** 12,314

**Net position:**

Net position at beginning of year, as previously reported 3,356,466

Restatements -

**Net position at beginning of year, as restated** 3,356,466

**Net position at end of year** 3,368,780

See independent auditor's report.

**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Other Information**

June 30, 2022

(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                        |    | -                       |
| <b>Noncurrent restricted cash and cash equivalents</b>                |    | <u>-</u>                |
| Current cash and cash equivalents                                     |    | 3,642,541               |
| <b>Total</b>  | \$ | <u><b>3,642,541</b></u> |

2.1 Composition of investments:

| Investment Type  | Current | Noncurrent | Total |
|--|---------|------------|-------|
| Money market funds                                       | \$ -    | -          | -     |
| Repurchase agreements                                    | -       | -          | -     |
| Certificates of deposit                                  | -       | -          | -     |
| U.S. agency securities                                   | -       | -          | -     |
| U.S. treasury securities                                 | -       | -          | -     |
| Municipal bonds  | -       | -          | -     |
| Corporate bonds  | -       | -          | -     |
| Asset backed securities                                  | -       | -          | -     |
| Mortgage backed securities                               | -       | -          | -     |
| Commercial paper   | -       | -          | -     |
| 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:                                       |         |            |       |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
| <b>Total Other investments</b>                           | -       | -          | -     |
| <b>Total investments</b>                                 | -       | -          | -     |
| Less endowment investments (enter as negative number)    | -       | -          | -     |
| <b>Total investments, net of endowments</b>              | \$      | -          | -     |





**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Other Information**

June 30, 2022

(for inclusion in the California State University)

3.1 Composition of capital assets:

|   | Balance<br>June 30, 2021 | Reclassifications | Prior Period Additions | Prior Period Retirements | Balance<br>June 30, 2021<br>(Restated) | Additions | Retirements | Transfer of completed<br>CWIP/PWIP | Balance<br>June 30, 2022 |
|---|--------------------------|-------------------|------------------------|--------------------------|--|-----------|-------------|------------------------------------|--------------------------|
| <b>Non-depreciable/Non-amortizable capital assets:</b>      |                          |                   |                        |                          |  |           |             |                                    |                          |
| 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:                                    | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total Other intangible assets</b>                        | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total intangible assets</b>                              | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total non-depreciable/non-amortizable capital assets</b> | \$ -                     | -                 | -                      | -                        | \$ -                                   | -         | -           | -                                  | \$ -                     |
| <b>Depreciable/Amortizable capital assets:</b>              |                          |                   |                        |                          |  |           |             |                                    |                          |
| Buildings and building improvements                         | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Improvements, other than buildings                          | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Infrastructure  | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Leasehold improvements                                      | 254,852                  | -                 | -                      | -                        | 254,852                                | -         | -           | -                                  | 254,852                  |
| Personal property:  |                          |                   |                        |                          |  |           |             |                                    |                          |
| Equipment   | 53,875                   | -                 | -                      | -                        | 53,875                                 | -         | -           | -                                  | 53,875                   |
| Library books and materials                                 | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Intangible assets:  |                          |                   |                        |                          |  |           |             |                                    |                          |
| Software and websites                                       | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Rights and easements  | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Patents, copyrights and trademarks                          | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Licenses and permits  | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Other intangible assets:                                    | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total Other intangible assets:</b>                       | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total intangible assets</b>                              | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total depreciable/amortizable capital assets</b>         | 308,727                  | -                 | -                      | -                        | 308,727                                | -         | -           | -                                  | 308,727                  |
| <b>Total capital assets</b>                                 | \$ 308,727               | -                 | -                      | -                        | \$ 308,727                             | -         | -           | -                                  | \$ 308,727               |

**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Other Information**

June 30, 2022

(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                                  | (254,852)        | -        | -        | -        | (254,852)        | -              | -        | (254,852)        |
| Personal property:                                      |                  |          |          |          |                  |                |          |                  |
| Equipment   | (51,695)         | -        | -        | -        | (51,695)         | (1,341)        | -        | (53,036)         |
| Library books and materials                             | -                | -        | -        | -        | -                | -              | -        | -                |
| Intangible assets:                                      |                  |          |          |          |                  |                |          |                  |
| Software and websites                                   | -                | -        | -        | -        | -                | -              | -        | -                |
| Rights and easements                                    | -                | -        | -        | -        | -                | -              | -        | -                |
| Patents, copyrights and trademarks                      | -                | -        | -        | -        | -                | -              | -        | -                |
| Licenses and permits                                    | -                | -        | -        | -        | -                | -              | -        | -                |
| Other intangible assets:                                |                  |          |          |          |                  |                |          |                  |
|   | -                | -        | -        | -        | -                | -              | -        | -                |
|   | -                | -        | -        | -        | -                | -              | -        | -                |
|   | -                | -        | -        | -        | -                | -              | -        | -                |
|   | -                | -        | -        | -        | -                | -              | -        | -                |
|   | -                | -        | -        | -        | -                | -              | -        | -                |
| <b>Total Other intangible assets:</b>                   | <b>-</b>         | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>         | <b>-</b>       | <b>-</b> | <b>-</b>         |
| <b>Total intangible assets</b>                          | <b>-</b>         | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>         | <b>-</b>       | <b>-</b> | <b>-</b>         |
| <b>Total accumulated depreciation/amortization</b>      | <b>(306,547)</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(306,547)</b> | <b>(1,341)</b> | <b>-</b> | <b>(307,888)</b> |
| <b>Total capital assets, net excluding lease assets</b> | <b>\$ 2,180</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>\$ 2,180</b>  | <b>(1,341)</b> | <b>-</b> | <b>839</b>       |

Lease assets, net  
Total capital assets, net

-  
\$ 839

Composition of lease assets:

|   | Balance<br>June 30, 2021 | Additions   | Remeasurements | Reductions  | Balance<br>June 30, 2022 |
|---|--------------------------|-------------|----------------|-------------|--------------------------|
| <b>Non-depreciable/Non-amortizable lease assets:</b>  |                          |             |                |             |                          |
| Land and land improvements  | \$ -                     | \$ -        | \$ -           | \$ -        | \$ -                     |
| <b>Total non-depreciable/non-amortizable lease assets</b>   | <b>-</b>                 | <b>-</b>    | <b>-</b>       | <b>-</b>    | <b>-</b>                 |
| <b>Depreciable/Amortizable lease assets:</b>  |                          |             |                |             |                          |
| Buildings and building improvements   | -                        | -           | -              | -           | -                        |
| Improvements, other than buildings  | -                        | -           | -              | -           | -                        |
| Infrastructure  | -                        | -           | -              | -           | -                        |
| Personal property:  |                          |             |                |             |                          |
| Equipment   | -                        | -           | -              | -           | -                        |
| <b>Total depreciable/amortizable lease assets</b>   | <b>-</b>                 | <b>-</b>    | <b>-</b>       | <b>-</b>    | <b>-</b>                 |
| <b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b> |                          |             |                |             |                          |
| Buildings and building improvements   | -                        | -           | -              | -           | -                        |
| Improvements, other than buildings  | -                        | -           | -              | -           | -                        |
| Infrastructure  | -                        | -           | -              | -           | -                        |
| Personal property:  |                          |             |                |             |                          |
| Equipment   | -                        | -           | -              | -           | -                        |
| <b>Total accumulated depreciation/amortization</b>  | <b>-</b>                 | <b>-</b>    | <b>-</b>       | <b>-</b>    | <b>-</b>                 |
| <b>Total lease assets, net</b>  | <b>\$ -</b>              | <b>\$ -</b> | <b>\$ -</b>    | <b>\$ -</b> | <b>\$ -</b>              |

3.2 Detail of depreciation and amortization expense:

|   |                 |
|---|-----------------|
| Depreciation and amortization expense related to capital assets | \$ 1,341        |
| Amortization expense related to other assets                    | -               |
| <b>Total depreciation and amortization</b>                      | <b>\$ 1,341</b> |

**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Other Information**

June 30, 2022

(for inclusion in the California State University)

4 Long-term liabilities:

|   | Balance<br>June 30, 2021 | Prior Period<br>Adjustments/Reclassifications | Balance<br>June 30, 2021 (Restated) | Additions | Reductions  | Balance<br>June 30, 2022 | Current Portion | Noncurrent Portion |
|---|--------------------------|---|-------------------------------------|-----------|-------------|--------------------------|-----------------|--------------------|
| 1. Accrued compensated absences                             | \$ 23,912                | \$ -  | \$ 23,912                           | \$ -      | \$ (23,912) | \$ -                     | \$ -            | \$ -               |
| 2. Claims liability for losses and loss adjustment expenses | -                        | -   | -                                   | -         | -           | -                        | -               | -                  |
| 3. Capital lease obligations:                               |                          |   |                                     |           |             |                          |                 |                    |
| Gross balance   | -                        | -   | -                                   | -         | -           | -                        | -               | -                  |
| Unamortized net premium/(discount)                          | -                        | -   | -                                   | -         | -           | -                        | -               | -                  |
| <b>Total capital lease obligations</b>                      | <b>\$ -</b>              | <b>-</b>                                      | <b>-</b>                            | <b>-</b>  | <b>-</b>    | <b>-</b>                 | <b>-</b>        | <b>-</b>           |
| 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  | -                        | -   | -                                   | -         | -           | -                        | -               | -                  |
| <b>Sub-total long-term debt</b>                             | <b>\$ -</b>              | <b>-</b>                                      | <b>-</b>                            | <b>-</b>  | <b>\$ -</b> | <b>-</b>                 | <b>-</b>        | <b>-</b>           |
| 4.5 Unamortized net bond premium/(discount)                 | -                        | -   | -                                   | -         | -           | -                        | -               | -                  |
| <b>Total long-term debt obligations</b>                     | <b>-</b>                 | <b>-</b>                                      | <b>-</b>                            | <b>-</b>  | <b>-</b>    | <b>-</b>                 | <b>-</b>        | <b>-</b>           |

5. Lease Liabilities

Total long-term liabilities

|                   | Balance     | Additions | Remeasurements | Reductions | Balance     | Current Portion | Noncurrent Portion |
|-------------------|-------------|-----------|----------------|------------|-------------|-----------------|--------------------|
| Lease liabilities | -           | -         | -              | -          | -           | -               | -                  |
| <b>Total</b>      | <b>\$ -</b> | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>\$ -</b> | <b>-</b>        | <b>-</b>           |

5 Lease Liabilities schedule:

|   | Lease Liabilities related to SRB |               |                        | All other lease liabilities |               |                        | Total lease liabilities |               |                        |
|---|----------------------------------|---------------|------------------------|-----------------------------|---------------|------------------------|-------------------------|---------------|------------------------|
|   | 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:                                  |                                  |               |                        |                             |               |                        |                         |               |                        |
| 2023  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2024  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2025  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2026  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2027  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2028 - 2032   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2033 - 2037   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2038 - 2042   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2043 - 2047   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2048 - 2052   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| Thereafter  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| <b>Total minimum lease payments</b>                   | <b>\$ -</b>                      | <b>-</b>      | <b>-</b>               | <b>-</b>                    | <b>-</b>      | <b>-</b>               | <b>-</b>                | <b>-</b>      | <b>-</b>               |
| Less: amounts representing interest                   |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Present value of future minimum lease payments</b> |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Total lease liabilities</b>                        |                                  |               |                        |                             |               |                        |                         |               |                        |
| Less: current portion                                 |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Lease liabilities, net of current portion</b>      |                                  |               |                        |                             |               |                        |                         |               |                        |

See independent auditor's report.

**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Other Information**

June 30, 2022

(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 |
| <b>Year ending June 30:</b>                               |   |          |                        |                                      |          |                        |                                  |          |                        |
| 2023  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2024  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2025  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2026  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2027  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2028 - 2032   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2033 - 2037   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2038 - 2042   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2043 - 2047   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2048 - 2052   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| Thereafter  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| <b>Total minimum payments</b>                             | <b>\$ -</b>                               | <b>-</b> | <b>-</b>               | <b>-</b>                             | <b>-</b> | <b>-</b>               | <b>-</b>                         | <b>-</b> | <b>-</b>               |
| Less: amounts representing interest                       |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Present value of future minimum payments</b>           |   |          |                        |                                      |          |                        |                                  |          | -                      |
| Unamortized net premium/(discount)                        |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Total long-term debt obligations</b>                   |   |          |                        |                                      |          |                        |                                  |          | -                      |
| Less: current portion                                     |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Long-term debt obligations, net of current portion</b> |   |          |                        |                                      |          |                        |                                  |          | -                      |

**7 Transactions with related entities:**

|  |           |
|--|-----------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | -         |
| Payments to University for other than salaries of University personnel                                       | 3,674,692 |
| Payments received from University for services, space, and programs  | 3,780,237 |
| 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)  | (213,981) |
| Other amounts (payable to) University (enter as negative number)   | -         |
| Accounts receivable from University (enter as positive number)   | 13,824    |
| Other amounts receivable from University (enter as positive number)  | -         |

**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 |                |
|                |                               | -              |

# ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

## Other Information

June 30, 2022

(for inclusion in the California State University)

**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                   | -           | -                | -                  | -               | -                            | 1,774,341                   | -                             | 1,774,341                |
| Institutional support              | -           | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Operation and maintenance of plant | -           | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Student grants and scholarships    | -           | -                | -                  | -               | 2,608,814                    | -                           | -                             | 2,608,814                |
| Auxiliary enterprise expenses      | -           | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Depreciation and amortization      | -           | -                | -                  | -               | -                            | -                           | 1,341                         | 1,341                    |
| <b>Total operating expenses</b>    | <b>\$ -</b> | <b>-</b>         | <b>-</b>           | <b>-</b>        | <b>2,608,814</b>             | <b>1,774,341</b>            | <b>1,341</b>                  | <b>4,384,496</b>         |

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

**1. Deferred Outflows of Resources**

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

Total deferred outflows - others

-

**Total deferred outflows of resources**

**\$ -**

**2. Deferred Inflows of Resources**

|  |   |
|--|---|
| Deferred inflows - service concession arrangements       | - |
| Deferred inflows - net pension liability                 | - |
| Deferred inflows - net OPEB liability                    | - |
| Deferred inflows - unamortized gain on debt refunding(s) | - |
| Deferred inflows - nonexchange transactions              | - |
| Deferred inflows - leases                                | - |
| 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**

**\$ -**

**11 Other nonoperating revenues (expenses)**

|   |             |
|---|-------------|
| Other nonoperating revenues                         | -           |
| Other nonoperating (expenses)                       | -           |
| <b>Total other nonoperating revenues (expenses)</b> | <b>\$ -</b> |

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

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

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 Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 16, 2022



# California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Financial Statements and Supplemental Information

Years Ended June 30, 2022 and 2021



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

## Financial Statements and Supplemental Information

Years Ended June 30, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Audit Committee  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

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

#### ***Opinions***

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, 2022 and 2021, the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration as of June 30, 2022 and 2021, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information included on pages 15-25 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.

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022, on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 22, 2022

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

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

Year Ended June 30, 2022

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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, 2021 through June 30, 2022. 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, 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, 2021 through June 30, 2022. Included, is an analysis of the current year activities and balances.

During the reporting period, the Organization generated and submitted 65 proposals requesting approximately \$25.6 million, with about \$2.2 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 a lower rate 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 activities and operations of the Organization. The excerpts below are highlights of grant submissions by each school with support from the Sponsored Programs Development Office in Grants, Research and Sponsored Programs (GRASP).

### **Academic and Administrative Departments**

Administrative and academic departments submitted various proposals to support student needs, address college readiness, and form partnerships with local agencies. Academic affairs and the Graduate Student Center proposed to the Department of Education a \$2.9 million project under the Developing Hispanic-Serving Institutions Program. The proposed project will deploy three interconnected strategies to implement and scale the equity-minded interventions identified by Excelencia in Education as holding the most promise to increase attainment of Hispanic students, filling essential gaps to realize a seamless pathway to regionally high-demand, high-wage careers. Student Affairs proposed a \$287,537 grant to the Department of Education under the Veterans Upward Bound funding announcement.

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

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

Year Ended June 30, 2022

---

The proposed Veterans Upward Bound project seeks to dramatically increase its veteran student enrollment by adding outreach, mentoring, holistic student support, and career preparation components to position graduates to participate in Kern County's degreed workforce economy. The Division of Extended Education and Global Outreach (EEGO) proposed a \$35,000 project to the U.S. Department of State's Bureau of Educational and Cultural Affairs for a series of credit-bearing faculty-led program (FLP) courses to study nursing practices in Guatemala, Mexico, Micronesia, and Peru. The program will include academic study, medical facility visits, and service-learning in urban and rural settings. This program will become part of the nursing department's regular offerings. This FLP offers a 10-day experience, at a reasonable cost, with faculty guidance. These conditions make this program attractive to our students. The program meets CSU Bakersfield's strategic objective to provide study abroad opportunities to underserved groups of students.

#### **Business and Public Administration (BPA)**

Grant proposals focused on economic development, entrepreneurship support, and providing research experiences to undergraduate students. The CSU Bakersfield Center for Entrepreneurship & Innovation proposed a \$1 million project to the Department of Commerce in service of the Central California Emerging Technology Accelerator (Accelerator). The Accelerator recruits student and community entrepreneurs with promising venture ideas and helps turn those ideas into new businesses with initial revenue commitments and a path toward scalable growth over the course of a 10-week intensive "boot camp". The emerging technology lab will augment our accelerator by pairing faculty/student research teams with global-leading aerospace, energy, and agriculture industry partners to work on cutting-edge research and development projects that push the envelope on some of these industries' most pressing challenges. Similarly, the CSU Bakersfield Small Business Development Center (SBDC) proposed to the State of California Governor's Office for Business and Economic Development (GOBED) the Central California SBDC Region Capital Infusion Program (CIP) for \$70,000 and the GOBIZ Technical Assistance Expansion Program for \$90,000 in support of local economic development by providing technical resources and networks for entrepreneurs and micro and small business owners.

#### **Natural Sciences, Mathematics, and Engineering (NSME)**

Several proposals from the School of Natural Sciences, Mathematics, and Engineering focused on science education and research development. The Department of Physics and Engineering proposed a \$600,000 project to the United States Department of Agriculture. The Sustainability Undergraduate Program for Extension and Research of Science and Technology in Agricultural Region (SUPERSTAR) will enrich experiential learning and develop the workforce to address challenges for the sustainability of agricultural systems (crop health, grape quality, alternative irrigation water, wildfire, valley fever, cow manure management, renewable energy demand, water-energy nexus) in the nation's leading agriculture region, California's Central Valley. The project will ultimately enhance agricultural sustainability, improve knowledge, skills, and experience of future agricultural workforce, and build a relationship between students and prospective employers. The Department of Chemistry and Biochemistry proposed a \$368,000 project to the National Institutes of Health. The focus of this project is the development of small-molecule inhibitors that selectively target lysyl oxidase (LOX) in cancer cells. LOX is a copper-dependent amine oxidase enzyme that initiates the covalent cross-linking of collagen and elastin in the extracellular matrix, and it is also involved in the up-regulation of several different types of aggressive cancer cell lines including breast cancer, melanoma, and prostate cancer.

#### **Social Sciences and Education (SSE)**

Educational Partnerships and student workforce linkages make up noted proposals. The Department of Teacher Education proposed to the Department of Education a \$3.9 million project. The Teacher Quality Partnership proposal focuses on supporting Black educators as a means to diversify the educator pipeline. Project partners include CSU Bakersfield Antelope Valley, Center for Transformational Educator Preparation Programs, National Center for Teacher Residencies, Bellwether Education Partners, Panama Buena Vista School District, Palmdale School District, and Lancaster School District. Similarly, the Department of Teacher Education proposed a \$2 million project to the Department of Education to amplify community, cultural, and environmental stewardship in science (ACCESS).

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

## Management's Discussion and Analysis

Year Ended June 30, 2022

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Project partners include University of California Center for Community and Citizen Science, Kern County Superintendent of Schools, Tulare County Office of Education, Yolo County Office of Education, Solano County Office of Education, and Sacramento County Office of Education.

### Arts and Humanities

The ¡Hoy Sí! ("Yes, Today!") for an Education Pipeline in Arts and Humanities project requested \$150,000 from the National Endowment for the Humanities. The project aims to understand opportunities humanities majors can add to our institutional practices to apply resources-in-place and resources-needed, and to sustain/leverage the education pipeline as we reduce equity gaps with a know-how approach in our education service region, where the humanities will play a large role in next steps. Objectives include (1) establishing a permanent dual enrollment partnership with humanities courses in the high schools that clearly signal career pathways to allow students to transfer to those majors and meet general education requirements, (2) creating a humanities survey course that demonstrates the value-added these degrees bring to professions not only in the humanities but other work areas in science, technology, engineering, and math (STEM), social sciences, and business settings, and (3) using partnerships to expand the pipeline, not only into college exposure and declaring humanity disciplines as main major, but a network nexus.

### Statements of Net Position

|                     | 2022                | 2021                | 2020                |
|---------------------|---------------------|---------------------|---------------------|
| Assets:             |                     |                     |                     |
| Current assets      | \$ 4,479,644        | \$ 5,029,932        | \$ 4,359,303        |
| Capital assets, net | <u>247,876</u>      | <u>282,684</u>      | <u>210,166</u>      |
| Total Assets        | 4,727,520           | 5,312,616           | 4,569,469           |
| Liabilities:        |                     |                     |                     |
| Current liabilities | <u>3,412,069</u>    | <u>3,213,508</u>    | <u>2,600,459</u>    |
| Net Position        | <u>\$ 1,315,451</u> | <u>\$ 2,099,108</u> | <u>\$ 1,969,010</u> |

### Assets

Assets decreased by \$585 thousand to \$4.7 million due to a decrease in cash of \$640 thousand, an increase in accounts receivable of \$137 thousand, a decrease of \$47 thousand in amounts due from related parties and a decrease of \$35 thousand in capital assets. The decrease in assets is mainly related to the indirect cost distribution. Furthermore, the decrease in capital assets is due to three grants ending during fiscal year 2022. Assets were retired and transferred to the University upon completion of the 120-days post-close period per 2 CFR 200.313 (2).

### Liabilities

Total liabilities increased by \$198 thousand to \$3.4 million due to an increase of accounts payable of \$70 thousand, a decrease in due to related parties of \$95 thousand, an increase in accrued expenses of \$197 thousand and an increase in deferred revenue of \$26 thousand. The increase in liabilities is related to an increase in the vacation payable liability and an increase in accrued expenses. Several grants ended on June 30, 2022, resulting in an increase in accrued expenses when compared to prior year.

### Net Position

Total net position decreased by \$783 thousand to \$1.3 million. Most of the cost recovery generated was used to support reimbursement of expenses to the University incurred in administration services. This year, the Organization generated less facilities and administrative cost recovery revenue than prior year, yet enough 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.

See independent auditor's report.



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

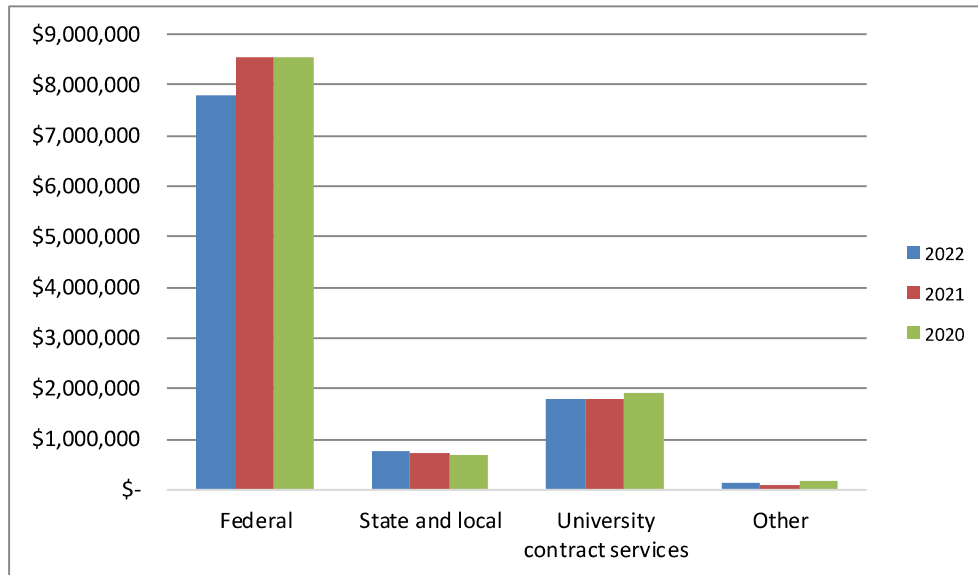
**Management’s Discussion and Analysis**

Year Ended June 30, 2022

**Schedules of Revenues, Expenses, and Changes in Net Position**

|   | 2022                | 2021                | 2020                |
|---|---------------------|---------------------|---------------------|
| Operating Revenue and Other Support:        |                     |                     |                     |
| Grants                                      | \$ 8,676,783        | \$ 9,313,316        | \$ 9,426,885        |
| University contract services                | 1,781,267           | 1,802,205           | 1,902,345           |
| Other                                       | 1,034               | 73,671              | 4,360               |
| Total Operating Revenue and Other Support   | 10,459,084          | 11,189,192          | 11,333,590          |
| Operating Expenses:                         |                     |                     |                     |
| Program services                            | 9,496,358           | 9,262,750           | 9,323,494           |
| General and administrative                  | 1,746,383           | 1,796,344           | 1,376,565           |
| Total Operating Expenses                    | 11,242,741          | 11,059,094          | 10,700,059          |
| Change in Net Position Before Transfers     | (783,657)           | 130,098             | 633,531             |
| Transfer of Net Deficit, Children's Center  | -                   | -                   | 16,769              |
| Transfer of Net Position, University Grants | -                   | -                   | (69,467)            |
| Change in Net Position                      | (783,657)           | 130,098             | 580,833             |
| Net Position, beginning                     | 2,099,108           | 1,969,010           | 1,388,177           |
| Net Position, ending                        | <u>\$ 1,315,451</u> | <u>\$ 2,099,108</u> | <u>\$ 1,969,010</u> |

**Revenues**



Overall revenues decreased from \$11.2 million to \$10.5 million. The federal grant revenue generated by the Organization decreased from 76 percent to 75 percent. The decrease in federal grant revenue is mainly due to two major grants operating with a reduced budget for their no cost extension year. State grant revenue stayed consistent at 6 percent, local grant revenue reflected an increase of revenue from 0 to 1 percent and nongovernmental grant revenue increased from 0 to 1 percent. The increase in local grant revenue is due to revenue recognized upon completion of two performance grants, focused on implementing economic development strategies.

See independent auditor's report.

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

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

Year Ended June 30, 2022

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The increase in nongovernmental grant revenue is due to receiving two new grants; one to promote Afro-centric infused curriculum and another to form deep partnerships with school districts and create a shared vision of effective K-12 instruction that includes a mutual commitment to recruit, prepare, support and retain teachers who are Black, Indigenous and People of Color. University contract services increased from 16 percent to 17 percent. This category records the value of salaries, wages, and benefits for employees under CSU Bakersfield that work on grants for the Organization and rent for facilities utilized by those employees.

### **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 \$4.7 million whereas \$4.8 million relates to non-payroll grant expenses. The increase in operating expenses is mainly due to filling vacancies within the programmatic function, resulting in an increase in salaries and an increase in indirect cost distribution. General and administrative expenses consist of those related to reimbursement to the University for business and administrative services. General and administrative expenses decreased by \$49 thousand. This is due to vacancies within the administrative function, resulting in a decrease in management and supervisory salaries.

### **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 Vernon B. Harper Jr. Ph.D., Provost and Vice President for Academic Affairs at 9001 Stockdale Highway, 59 ADM, Bakersfield, California 93311.

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

**Statements of Net Position**

June 30, 2022 and 2021

|   | <u>2022</u>             | <u>2021</u>             |
|---|-------------------------|-------------------------|
| <b>ASSETS</b>                                   |                         |                         |
| Cash  | \$ 2,593,692            | \$ 3,233,971            |
| Accounts receivable                             | 1,885,952               | 1,748,129               |
| Due from related parties                        | -                       | 47,832                  |
| Capital assets, net of accumulated depreciation | <u>247,876</u>          | <u>282,684</u>          |
| <br>Total Assets                                | <br>4,727,520           | <br>5,312,616           |
| <br><b>LIABILITIES</b>                          |                         |                         |
| Accounts payable                                | 121,861                 | 51,398                  |
| Due to related parties                          | 1,577,988               | 1,673,487               |
| Accrued expenses                                | 1,008,049               | 810,953                 |
| Deferred revenue                                | <u>704,171</u>          | <u>677,670</u>          |
| <br>Total Liabilities                           | <br><u>3,412,069</u>    | <br><u>3,213,508</u>    |
| <br><b>NET POSITION</b>                         |                         |                         |
| Net investment in capital assets                | 247,876                 | 282,684                 |
| Unrestricted                                    | <u>1,067,575</u>        | <u>1,816,424</u>        |
| <br>Total Net Position                          | <br><u>\$ 1,315,451</u> | <br><u>\$ 2,099,108</u> |

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

**Statements of Revenues, Expenses, and Changes in Net Position**

Years Ended June 30, 2022 and 2021

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Operating Revenue and Other Support:      |                     |                     |
| Grants:                                   |                     |                     |
| Federal                                   | \$ 7,794,659        | \$ 8,545,271        |
| State                                     | 641,979             | 677,374             |
| Nongovernmental                           | 127,875             | 39,913              |
| Local                                     | 112,270             | 50,758              |
| University contract services              | 1,781,267           | 1,802,205           |
| Other                                     | 1,034               | 73,671              |
|   | <u>10,459,084</u>   | <u>11,189,192</u>   |
| Total Operating Revenue and Other Support |                     |                     |
|   |                     |                     |
| Operating Expenses:                       |                     |                     |
| Program services                          | 9,496,358           | 9,262,750           |
| General and administrative                | 1,746,383           | 1,796,344           |
|   | <u>11,242,741</u>   | <u>11,059,094</u>   |
| Total Operating Expenses                  |                     |                     |
|   |                     |                     |
| Change in Net Position                    | (783,657)           | 130,098             |
|   |                     |                     |
| Net Position, beginning                   | <u>2,099,108</u>    | <u>1,969,010</u>    |
|   |                     |                     |
| Net Position, ending                      | <u>\$ 1,315,451</u> | <u>\$ 2,099,108</u> |

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

**Statements of Cash Flows**

Years Ended June 30, 2022 and 2021

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Cash Flows from Operating Activities:   |                     |                     |
| Grant revenue receipts  | \$ 8,614,327        | \$ 9,861,716        |
| University contract services  | 1,781,267           | 1,802,205           |
| Payments to suppliers   | (6,341,242)         | (6,043,206)         |
| Payments to employees   | (4,618,386)         | (4,707,365)         |
|   | <u>(564,034)</u>    | <u>913,350</u>      |
| Net Cash Provided (Used) by Operating Activities  | (564,034)           | 913,350             |
| Cash Flows Used by Capital and Related Financing Activities:  |                     |                     |
| Acquisitions of capital assets  | (76,245)            | (124,421)           |
|   | <u>(76,245)</u>     | <u>(124,421)</u>    |
| Net Increase (Decrease) in Cash   | (640,279)           | 788,929             |
| Cash, beginning   | <u>3,233,971</u>    | <u>2,445,042</u>    |
| Cash, ending  | <u>\$ 2,593,692</u> | <u>\$ 3,233,971</u> |
| Reconciliation of Change in Net Position to Net Cash Provided (Used)<br>by Operating Activities:        |                     |                     |
| Change in net position  | \$ (783,657)        | \$ 130,098          |
| Adjustments to reconcile change in net position to net<br>cash provided (used) by operating activities: |                     |                     |
| Depreciation  | 50,298              | 42,747              |
| Transfer of capital assets  | 60,755              | 9,156               |
| Changes in operating assets and liabilities:  |                     |                     |
| Accounts receivable   | (137,823)           | 151,850             |
| Due from related parties  | 47,832              | (34,689)            |
| Prepaid expenses  | -                   | 1,139               |
| Accounts payable  | 70,463              | 6,769               |
| Due to related parties  | (95,499)            | 143,234             |
| Accrued expenses  | 197,096             | 105,478             |
| Deferred revenue  | 26,501              | 357,568             |
|   | <u>26,501</u>       | <u>357,568</u>      |
| Net Cash Provided (Used) by Operating Activities  | <u>\$ (564,034)</u> | <u>\$ 913,350</u>   |

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

## Notes to Financial Statements

Years Ended June 30, 2022 and 2021

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### 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 (U.S. GAAP). 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 U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Income Taxes

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, 2022 and 2021, 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. 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 three to ten years.

#### Deferred Revenue

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

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

**Notes to Financial Statements**

Years Ended June 30, 2022 and 2021

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

Net Position

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

- Net investment in capital assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted: All other categories of net position.

Advertising

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

Subsequent Events

The Organization has evaluated subsequent events through September 22, 2022, which is the date the financial statements were available to be issued.

**Note 2 - Concentration of Credit Risk**

The Organization maintains its cash in bank deposit accounts that are insured by 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, 2022:

|                               | Balance<br>June 30, 2021 | Additions        | Transfers          | Balance<br>June 30, 2022 |
|-------------------------------|--------------------------|------------------|--------------------|--------------------------|
| Equipment                     | \$ 384,321               | \$ 76,245        | \$ (93,994)        | \$ 366,572               |
| Less accumulated depreciation | (101,637)                | (50,298)         | 33,239             | (118,696)                |
|                               | <u>\$ 282,684</u>        | <u>\$ 25,947</u> | <u>\$ (60,755)</u> | <u>\$ 247,876</u>        |

Changes in capital assets consist of the following for the year ended June 30, 2021:

|                               | Balance<br>June 30, 2020 | Additions        | Transfers         | Balance<br>June 30, 2021 |
|-------------------------------|--------------------------|------------------|-------------------|--------------------------|
| Equipment                     | \$ 274,631               | \$ 124,421       | \$ (14,731)       | \$ 384,321               |
| Less accumulated depreciation | (64,465)                 | (42,747)         | 5,575             | (101,637)                |
|                               | <u>\$ 210,166</u>        | <u>\$ 81,674</u> | <u>\$ (9,156)</u> | <u>\$ 282,684</u>        |

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

**Notes to Financial Statements**

Years Ended June 30, 2022 and 2021

**Note 4 - University Contract Services**

The Organization utilizes University employees to provide direct programming services and indirect other services on behalf of the Organization. Services provided to the Organization by employees of the University are recognized as revenue equal to the University's estimate of the employee cost incurred to provide those services. The total estimated employee cost for the years ended June 30, 2022 and 2021 was \$1,624,667 and \$1,645,605, respectively, and has been recognized as University contract services revenue and as an operating expense in the statements of revenues, expenses, and changes in net position.

The Organization utilizes University facilities to conduct its services. The Organization pays no rent to the University and has recognized revenue equal to the fair market value of this rent for similar facilities. The total estimated fair market value of this rent for the years ended June 30, 2022 and 2021 was \$156,600 and has been recognized as University contract services revenue and as an operating expense in the statements of revenues, expenses, and changes in net position.

**Note 5 - 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 matching contributions related to grants awarded to the Organization.

Related party transactions as of and for the years ended June 30, 2022 and 2021 are as follows:

|                               | <u>2022</u>      | <u>2021</u>       |
|-------------------------------|------------------|-------------------|
| Payments received from:       |                  |                   |
| University                    | \$ 12,436        | \$ 162,147        |
| Foundation                    | -                | 18,914            |
|                               | <u>\$ 12,436</u> | <u>\$ 186,058</u> |
| Payments to:                  |                  |                   |
| Services from other agencies: |                  |                   |
| University                    | \$ 4,557,225     | \$ 5,135,468      |
| Due from:                     |                  |                   |
| University                    | \$ -             | \$ 29,659         |
| Foundation                    | -                | 18,173            |
|                               | <u>\$ -</u>      | <u>\$ 47,832</u>  |
| Due to:                       |                  |                   |
| University                    | \$ 1,577,988     | \$ 1,673,487      |



## SUPPLEMENTAL INFORMATION

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

**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2022

|                              | Program<br>Services | General and<br>Administrative | Total                |
|------------------------------|---------------------|-------------------------------|----------------------|
| Salaries                     | \$ 3,588,811        | \$ -                          | \$ 3,588,811         |
| Services from other agencies | 1,307,961           | 825,296                       | 2,133,257            |
| University contract services | 1,013,647           | 767,620                       | 1,781,267            |
| Payroll taxes and benefits   | 1,094,049           | -                             | 1,094,049            |
| Stipends                     | 1,065,121           | -                             | 1,065,121            |
| Supplies                     | 988,408             | 13,540                        | 1,001,948            |
| Small equipment              | 198,682             | 58,898                        | 257,580              |
| Travel                       | 78,237              | -                             | 78,237               |
| Dues and subscriptions       | 45,970              | 27,422                        | 73,392               |
| Depreciation                 | 50,298              | -                             | 50,298               |
| Professional fees            | 16,488              | 13,481                        | 29,969               |
| Miscellaneous                | 5,751               | 23,212                        | 28,963               |
| Printing and publications    | 17,787              | 341                           | 18,128               |
| Conference and meetings      | 14,028              | 1,800                         | 15,828               |
| Insurance                    | -                   | 14,773                        | 14,773               |
| Postage                      | 8,226               | -                             | 8,226                |
| Telephone                    | 1,894               | -                             | 1,894                |
| Events                       | 1,000               | -                             | 1,000                |
| <b>Total Expenses</b>        | <b>\$ 9,496,358</b> | <b>\$ 1,746,383</b>           | <b>\$ 11,242,741</b> |

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

**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2021

|                              | Program<br>Services        | General and<br>Administrative | Total                       |
|------------------------------|----------------------------|-------------------------------|-----------------------------|
| Salaries                     | \$ 3,559,842               | \$ -                          | \$ 3,559,842                |
| Services from other agencies | 1,359,744                  | 738,750                       | 2,098,494                   |
| University contract services | 894,379                    | 907,826                       | 1,802,205                   |
| Payroll taxes and benefits   | 1,083,762                  | -                             | 1,083,762                   |
| Stipends                     | 1,062,149                  | -                             | 1,062,149                   |
| Supplies                     | 903,658                    | 10,825                        | 914,483                     |
| Small equipment              | 254,987                    | 56,633                        | 311,620                     |
| Professional fees            | 14,253                     | 47,800                        | 62,053                      |
| Dues and subscriptions       | 30,866                     | 17,644                        | 48,510                      |
| Depreciation                 | 42,747                     | -                             | 42,747                      |
| Conference and meetings      | 23,093                     | 600                           | 23,693                      |
| Printing and publications    | 14,351                     | 260                           | 14,611                      |
| Insurance                    | -                          | 12,798                        | 12,798                      |
| Miscellaneous                | 7,652                      | 3,119                         | 10,771                      |
| Postage                      | 7,503                      | 89                            | 7,592                       |
| Telephone                    | 2,548                      | -                             | 2,548                       |
| Travel                       | 1,216                      | -                             | 1,216                       |
|                              | <u>1,216</u>               | <u>-</u>                      | <u>1,216</u>                |
| <b>Total Expenses</b>        | <b>\$ <u>9,262,750</u></b> | <b>\$ <u>1,796,344</u></b>    | <b>\$ <u>11,059,094</u></b> |

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

**Schedule of Net Position**

June 30, 2022

(for inclusion in the California State University)

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**Assets:**

**Current assets:**

|   |                  |
|---|------------------|
| Cash and cash equivalents                 | 2,593,692        |
| Short-term investments                    | -                |
| Accounts receivable, net                  | 1,885,952        |
| Lease receivables, current portion        | -                |
| Notes receivable, current portion         | -                |
| Pledges receivable, net                   | -                |
| Prepaid expenses and other current assets | -                |
| <b>Total current assets</b>               | <b>4,479,644</b> |

**Noncurrent assets:**

|   |                  |
|---|------------------|
| Restricted cash and cash equivalents      | -                |
| Accounts receivable, net                  | -                |
| Lease receivables, 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                       | 247,876          |
| Other assets                              | -                |
| <b>Total noncurrent assets</b>            | <b>247,876</b>   |
| <b>Total assets</b>                       | <b>4,727,520</b> |

**Deferred outflows of resources:**

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

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

**Schedule of Net Position**

June 30, 2022

(for inclusion in the California State University)

**Liabilities:**

**Current liabilities:**

|   |                  |
|---|------------------|
| Accounts payable  | 1,640,512        |
| Accrued salaries and benefits   | 224,140          |
| Accrued compensated absences, current portion                             | 59,337           |
| Unearned revenues   | 704,171          |
| Lease liabilities, current portion  | -                |
| Long-term debt obligations, current portion                               | -                |
| Claims liability for losses and loss adjustment expenses, current portion | -                |
| Depository accounts   | -                |
| Other liabilities   | 783,909          |
| <b>Total current liabilities</b>  | <b>3,412,069</b> |

**Noncurrent liabilities:**

|  |                  |
|--|------------------|
| Accrued compensated absences, net of current portion                             | -                |
| Unearned revenues  | -                |
| Grants refundable  | -                |
| Lease liabilities, net of current portion  | -                |
| Long-term debt obligations, net of current portion                               | -                |
| Claims liability for losses and loss adjustment expenses, net of current portion | -                |
| Depository accounts  | -                |
| Net other postemployment benefits liability                                      | -                |
| Net pension liability  | -                |
| Other liabilities  | -                |
| <b>Total noncurrent liabilities</b>  | <b>-</b>         |
| <b>Total liabilities</b>   | <b>3,412,069</b> |

**Deferred inflows of resources:**

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

**Net position:**

|                                  |                  |
|----------------------------------|------------------|
| Net investment in capital assets | 247,876          |
| Restricted for:                  |                  |
| Nonexpendable – endowments       | -                |
| Expendable:                      |                  |
| Scholarships and fellowships     | -                |
| Research                         | -                |
| Loans                            | -                |
| Capital projects                 | -                |
| Debt service                     | -                |
| Others                           | -                |
| Unrestricted                     | 1,067,575        |
| <b>Total net position</b>        | <b>1,315,451</b> |

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

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

Year Ended June 30, 2022

(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 7,794,659  
State 641,979  
Local 112,270  
Nongovernmental 127,875  
Sales and services of educational activities -  
Sales and services of auxiliary enterprises, gross -  
Scholarship allowances (enter as negative) -  
Other operating revenues 1,782,301

**Total operating revenues**

10,459,084

**Expenses:**

**Operating expenses:**

Instruction 1,504,520  
Research 2,721,248  
Public service 704,663  
Academic support 339,309  
Student services 3,162,673  
Institutional support 2,760,030  
Operation and maintenance of plant -  
Student grants and scholarships -  
Auxiliary enterprise expenses -  
Depreciation and amortization 50,298

**Total operating expenses**

11,242,741

**Operating income (loss)**

(783,657)

**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) -

**Net nonoperating revenues (expenses)**

-

**Income (loss) before other revenues (expenses)**

(783,657)

State appropriations, capital -  
Grants and gifts, capital -  
Additions (reductions) to permanent endowments -

**Increase (decrease) in net position**

(783,657)

**Net position:**

Net position at beginning of year, as previously reported 2,099,108  
Restatements -

**Net position at beginning of year, as restated** 2,099,108

**Net position at end of year** 1,315,451

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

## Other Information

June 30, 2022

(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                        |    | -                |
| <b>Noncurrent restricted cash and cash equivalents</b>                |    | -                |
| Current cash and cash equivalents                                     |    | 2,593,692        |
| <b>Total</b>  | \$ | <b>2,593,692</b> |

### 2.1 Composition of investments:

| Investment Type  | Current | Noncurrent | Total |
|--|---------|------------|-------|
| Money market funds                                       | \$ -    | -          | -     |
| Repurchase agreements                                    | -       | -          | -     |
| Certificates of deposit                                  | -       | -          | -     |
| U.S. agency securities                                   | -       | -          | -     |
| U.S. treasury securities                                 | -       | -          | -     |
| Municipal bonds  | -       | -          | -     |
| Corporate bonds  | -       | -          | -     |
| Asset backed securities                                  | -       | -          | -     |
| Mortgage backed securities                               | -       | -          | -     |
| Commercial paper   | -       | -          | -     |
| 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:                                       |         |            |       |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
|  | -       | -          | -     |
| <b>Total Other investments</b>                           | -       | -          | -     |
| <b>Total investments</b>                                 | -       | -          | -     |
| Less endowment investments (enter as negative number)    | -       | -          | -     |
| <b>Total investments, net of endowments</b>              | \$ -    | -          | -     |

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

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 2.2 Fair value hierarchy in investments:

| Investment Type  | Total | Quoted Prices in Active Markets<br>for Identical Assets (Level 1) | Significant Other<br>Observable Inputs (Level 2) | Significant Unobservable<br>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                                  | \$ -  | -   | -  | -  | -                     |
| <b>Total investments</b>                                 | -     | -   | -  | -  | -                     |

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

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



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

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 3.1 Composition of capital assets:

|   | Balance<br>June 30, 2021 | Reclassifications | Prior Period Additions | Prior Period Retirements | Balance<br>June 30, 2021<br>(Restated) | Additions     | Retirements     | Transfer of completed<br>CWIP/PWIP | Balance<br>June 30, 2022 |
|---|--------------------------|-------------------|------------------------|--------------------------|--|---------------|-----------------|------------------------------------|--------------------------|
| <b>Non-depreciable/Non-amortizable capital assets:</b>      |                          |                   |                        |                          |  |               |                 |                                    |                          |
| 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                               | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| <b>Total intangible assets</b>                              | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| <b>Total non-depreciable/non-amortizable capital assets</b> | <b>\$ -</b>              | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>\$ -</b>                            | <b>-</b>      | <b>-</b>        | <b>-</b>                           | <b>\$ -</b>              |
| <b>Depreciable/Amortizable capital assets:</b>              |                          |                   |                        |                          |  |               |                 |                                    |                          |
| Buildings and building improvements                         | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Improvements, other than buildings                          | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Infrastructure  | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Leasehold improvements                                      | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Personal property:  |                          |                   |                        |                          |  |               |                 |                                    |                          |
| Equipment   | 384,321                  | -                 | -                      | -                        | 384,321                                | 76,245        | (93,994)        | -                                  | 366,572                  |
| Library books and materials                                 | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Intangible assets:  |                          |                   |                        |                          |  |               |                 |                                    |                          |
| Software and websites                                       | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Rights and easements  | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Patents, copyrights and trademarks                          | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Licenses and permits  | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Other intangible assets:                                    |                          |                   |                        |                          |  |               |                 |                                    |                          |
| -   | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| Total Other intangible assets                               | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| <b>Total intangible assets</b>                              | -                        | -                 | -                      | -                        | -                                      | -             | -               | -                                  | -                        |
| <b>Total depreciable/amortizable capital assets</b>         | <b>384,321</b>           | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>384,321</b>                         | <b>76,245</b> | <b>(93,994)</b> | <b>-</b>                           | <b>366,572</b>           |
| <b>Total capital assets</b>                                 | <b>\$ 384,321</b>        | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>\$ 384,321</b>                      | <b>76,245</b> | <b>(93,994)</b> | <b>-</b>                           | <b>\$ 366,572</b>        |

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

**Other Information**

June 30, 2022

(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                                  | -          | - | - | - | -          | -        | -        | - | -  | -         |
| Personal property:                                      |            |   |   |   |            |          |          |   |    |           |
| Equipment   | (101,637)  | - | - | - | (101,637)  | (50,298) | 33,239   | - | -  | (118,696) |
| Library books and materials                             | -          | - | - | - | -          | -        | -        | - | -  | -         |
| Intangible assets:                                      |            |   |   |   |            |          |          |   |    |           |
| Software and websites                                   | -          | - | - | - | -          | -        | -        | - | -  | -         |
| Rights and easements                                    | -          | - | - | - | -          | -        | -        | - | -  | -         |
| Patents, copyrights and trademarks                      | -          | - | - | - | -          | -        | -        | - | -  | -         |
| Licenses and permits                                    | -          | - | - | - | -          | -        | -        | - | -  | -         |
| Other intangible assets:                                |            |   |   |   |            |          |          |   |    |           |
|   | -          | - | - | - | -          | -        | -        | - | -  | -         |
|   | -          | - | - | - | -          | -        | -        | - | -  | -         |
|   | -          | - | - | - | -          | -        | -        | - | -  | -         |
|   | -          | - | - | - | -          | -        | -        | - | -  | -         |
|   | -          | - | - | - | -          | -        | -        | - | -  | -         |
| Total Other intangible assets:                          | -          | - | - | - | -          | -        | -        | - | -  | -         |
| <b>Total intangible assets</b>                          | -          | - | - | - | -          | -        | -        | - | -  | -         |
| <b>Total accumulated depreciation/amortization</b>      | (101,637)  | - | - | - | (101,637)  | (50,298) | 33,239   | - | -  | (118,696) |
| <b>Total capital assets, net excluding lease assets</b> | \$ 282,684 | - | - | - | \$ 282,684 | 25,947   | (60,755) | - | \$ | 247,876   |

**Lease assets, net**  
**Total capital assets, net**

-  
247,876

**Composition of lease assets:**

|   | Balance<br>June 30, 2021 | Additions | Remeasurements | Reductions | Balance<br>June 30, 2022 |
|---|--------------------------|-----------|----------------|------------|--------------------------|
| <b>Non-depreciable/Non-amortizable lease assets:</b>  |                          |           |                |            |                          |
| Land and land improvements  | \$ -                     | \$ -      | \$ -           | \$ -       | \$ -                     |
| <b>Total non-depreciable/non-amortizable lease assets</b>   | -                        | -         | -              | -          | -                        |
| <b>Depreciable/Amortizable lease assets:</b>  |                          |           |                |            |                          |
| Buildings and building improvements   | -                        | -         | -              | -          | -                        |
| Improvements, other than buildings  | -                        | -         | -              | -          | -                        |
| Infrastructure  | -                        | -         | -              | -          | -                        |
| Personal property:  |                          |           |                |            |                          |
| Equipment   | -                        | -         | -              | -          | -                        |
| <b>Total depreciable/amortizable lease assets</b>   | -                        | -         | -              | -          | -                        |
| <b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b> |                          |           |                |            |                          |
| Buildings and building improvements   | -                        | -         | -              | -          | -                        |
| Improvements, other than buildings  | -                        | -         | -              | -          | -                        |
| Infrastructure  | -                        | -         | -              | -          | -                        |
| Personal property:  |                          |           |                |            |                          |
| Equipment   | -                        | -         | -              | -          | -                        |
| <b>Total accumulated depreciation/amortization</b>  | -                        | -         | -              | -          | -                        |
| <b>Total lease assets, net</b>  | \$ -                     | -         | -              | -          | \$ -                     |
| <b>3.2 Detail of depreciation and amortization expense:</b>   |                          |           |                |            |                          |
| Depreciation and amortization expense related to capital assets   | \$ 50,298                |           |                |            |                          |
| Amortization expense related to other assets  | -                        |           |                |            |                          |
| <b>Total depreciation and amortization</b>  | \$ 50,298                |           |                |            |                          |

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

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 4 Long-term liabilities:

|   | Balance<br>June 30, 2021 | Prior Period Adjustments/<br>Reclassifications | Balance<br>June 30, 2021 (Restated) | Additions | Reductions | Balance<br>June 30, 2022 | Current Portion | Noncurrent Portion |
|---|--------------------------|--|-------------------------------------|-----------|------------|--------------------------|-----------------|--------------------|
| 1. Accrued compensated absences                             | \$ 16,030                | -  | \$ 16,030                           | 76,724    | (33,417)   | \$ 59,337                | 59,337          | -                  |
| 2. Claims liability for losses and loss adjustment expenses | -                        | -  | -                                   | -         | -          | -                        | -               | -                  |
| 3. Capital lease obligations:                               |                          |  |                                     |           |            |                          |                 |                    |
| Gross balance   | -                        | -  | -                                   | -         | -          | -                        | -               | -                  |
| Unamortized net premium/(discount)                          | -                        | -  | -                                   | -         | -          | -                        | -               | -                  |
| <b>Total capital lease obligations</b>                      | <b>\$ -</b>              | <b>-</b>                                       | <b>-</b>                            | <b>-</b>  | <b>-</b>   | <b>-</b>                 | <b>-</b>        | <b>-</b>           |
| 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  | -                        | -  | -                                   | -         | -          | -                        | -               | -                  |
| <b>Sub-total long-term debt</b>                             | <b>\$ -</b>              | <b>-</b>                                       | <b>\$ -</b>                         | <b>-</b>  | <b>-</b>   | <b>\$ -</b>              | <b>-</b>        | <b>-</b>           |
| 4.5 Unamortized net bond premium/(discount)                 | -                        | -  | -                                   | -         | -          | -                        | -               | -                  |
| <b>Total long-term debt obligations</b>                     | <b>-</b>                 | <b>-</b>                                       | <b>-</b>                            | <b>-</b>  | <b>-</b>   | <b>-</b>                 | <b>-</b>        | <b>-</b>           |

### 5. Lease Liabilities

Total long-term liabilities

|  |   |   |   |
|--|---|---|---|
|  | - | - | - |
|  | - | - | - |
|  | - | - | - |

Lease Liabilities

Total

|                   | Balance     | Additions | Remeasurements | Reductions | Balance     | Current Portion | Noncurrent Portion |
|-------------------|-------------|-----------|----------------|------------|-------------|-----------------|--------------------|
| Lease Liabilities | -           | -         | -              | -          | -           | -               | -                  |
| <b>Total</b>      | <b>\$ -</b> | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>\$ -</b> | <b>\$ -</b>     | <b>-</b>           |

### 5 Lease Liabilities schedule:

|   | Lease Liabilities related to SRB |               |                        | All other lease liabilities |               |                        | Total lease liabilities |               |                        |
|---|----------------------------------|---------------|------------------------|-----------------------------|---------------|------------------------|-------------------------|---------------|------------------------|
|   | Principal Only                   | Interest Only | Principal and Interest | Principal Only              | Interest Only | Principal and Interest | Principal Only          | Interest Only | Principal and Interest |
| <b>Year ending June 30:</b>                           |                                  |               |                        |                             |               |                        |                         |               |                        |
| 2023  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2024  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2025  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2026  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2027  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2028 - 2032   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2033 - 2037   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2038 - 2042   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2043 - 2047   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2048 - 2052   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| Thereafter  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| <b>Total minimum lease payments</b>                   | <b>\$ -</b>                      | <b>-</b>      | <b>-</b>               | <b>-</b>                    | <b>-</b>      | <b>-</b>               | <b>-</b>                | <b>-</b>      | <b>-</b>               |
| Less: amounts representing interest                   |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Present value of future minimum lease payments</b> |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Total lease liabilities</b>                        |                                  |               |                        |                             |               |                        |                         |               |                        |
| Less: current portion                                 |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Lease liabilities, net of current portion</b>      |                                  |               |                        |                             |               |                        |                         |               |                        |

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

## Other Information

June 30, 2022

(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 |
| <b>Year ending June 30:</b>                               |   |          |                        |                                      |          |                        |                                  |          |                        |
| 2023  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2024  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2025  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2026  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2027  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2028 - 2032   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2033 - 2037   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2038 - 2042   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2043 - 2047   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2048 - 2052   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| Thereafter  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| <b>Total minimum payments</b>                             | <b>\$ -</b>                               | <b>-</b> | <b>-</b>               | <b>-</b>                             | <b>-</b> | <b>-</b>               | <b>-</b>                         | <b>-</b> | <b>-</b>               |
| Less: amounts representing interest                       |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Present value of future minimum payments</b>           |   |          |                        |                                      |          |                        |                                  |          | <b>-</b>               |
| Unamortized net premium/(discount)                        |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Total long-term debt obligations</b>                   |   |          |                        |                                      |          |                        |                                  |          | <b>-</b>               |
| Less: current portion                                     |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Long-term debt obligations, net of current portion</b> |   |          |                        |                                      |          |                        |                                  |          | <b>-</b>               |

**7 Transactions with related entities:**

|  |             |
|--|-------------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | 2,419,971   |
| Payments to University for other than salaries of University personnel                                       | 2,137,254   |
| 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)  | (1,577,988) |
| Other amounts (payable to) University (enter as negative number)   | -           |
| Accounts receivable from University (enter as positive number)   | -           |
| Other amounts receivable from University (enter as positive number)  | -           |

**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 |                |
|                 |                               | -              |



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

To the Audit Committee  
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, 2022, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2022.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 22, 2022

**SUPPLEMENTAL AWARDS INFORMATION**



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Audit Committee  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

#### *Basis for Opinion on Each Major Federal Program*

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's federal programs.

#### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

***Auditor's Responsibilities for the Audit of Compliance, continued***

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guidance. Accordingly, this report is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 22, 2022

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

**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2022

| Federal/Pass-Through Grantor and Program<br>Title  | Federal<br>Assistance<br>Listing Number | Agency or Pass-<br>Through Grantor<br>No. | Expenditures | Subrecipients |
|--|---|---|--------------|---------------|
| <b>Research and Development Cluster:</b>   |   |   |              |               |
| <u>National Science Foundation</u>   |   |   |              |               |
| Direct Programs:   |   |   |              |               |
| Collab Research: Correlating Opto  | 47.049                                  | DMR-1904042                               | \$ 22,772    | \$ -          |
| Collab Research: GP-EXTRA  | 47.050                                  | ICER-1700942                              | 16,600       | -             |
| CREST Phase II   | 47.076                                  | HRD-1547784                               | 438,136      | -             |
| Catalyzing IDEA's for the San Joaquin Valley   | 47.076                                  | HRD-1928568                               | 105,197      | -             |
| HSI Pilot Project: The MAESTRO   | 47.076                                  | 2122442                                   | 69,719       | -             |
| Pass-through CSU Sacramento:   |   |   |              |               |
| CSU-LSAMP (2018-2023)  | 47.076                                  | HRD-1826490                               | 8,491        | -             |
|  |   |   | 660,915      | -             |
| <u>U.S. Department of Agriculture</u>  |   |   |              |               |
| Direct Programs:   |   |   |              |               |
| BRIXCAL: Building Research and Internship<br>Experiences for Hispanics in California's<br>Central Valley |   |   |              |               |
|  | 10.223                                  | 2020-38422-32245                          | 29,377       | -             |
| SUPPERSTAR: Sustainability Und   | 10.310                                  | 2022-68018-36609                          | 29,017       | -             |
| Capacity Building Agricultural<br>Integrated Project   | 10.326                                  | 2021-70001-34774                          | 44,784       | -             |
|  | 10.326                                  | 2018-70001-27831                          | 14,547       | -             |
|  |   |   | 117,725      | -             |
| <u>U.S. Department of Education</u>  |   |   |              |               |
| Direct Programs:   |   |   |              |               |
| GPS to Stem Degree Completion  | 84.031C                                 | P031C160080                               | 657,036      | -             |
| An Equitable Pathway to Indemnification  | 84.031C                                 | P031C210093                               | 45,378       | -             |
| Increasing Hispanic STEM Relations   | 84.031M                                 | P031M190029                               | 588,713      | -             |
| Pathways Adelante: A Model HIS   | 84.031S                                 | P031S200095                               | 401,737      | -             |
| Pass-through CalPoly Pomona Foundation:  |   |   |              |               |
| DJJ-Project Rebound Mentorship   | 84.013A                                 | S013A190005                               | 22,097       | -             |
|  |   |   | 1,714,961    | -             |
| <u>U.S. Department of Interior, National Park Service</u>  |   |   |              |               |
| Pass-through California Department of Parks<br>& Recreation:   |   |   |              |               |
| SSJVIC-Historic Preservation   | 15.904                                  | C8965527                                  | 1,000        | -             |
| Pass-through Sequoia Parks Conservancy:  |   |   |              |               |
| Summer Roost Selection & Torpor<br>Expression of Bats  | 15.954                                  | 20-0028                                   | 1,239        | -             |
|  |   |   | 2,239        | -             |
| Total Research and Development Cluster   |   |   | \$ 2,495,840 | \$ -          |

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

**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2022

| Federal/Pass-Through Grantor and Program<br>Title                  | Federal<br>Assistance<br>Listing Number | Agency or Pass-<br>Through Grantor<br>No. | Expenditures | Subrecipients |
|--|---|---|--------------|---------------|
| <b>WIOA Cluster:</b>   |   |   |              |               |
| <u>U.S. Department of Labor</u>                                    |   |   |              |               |
| Pass-through County of Kern:                                       |   |   |              |               |
| Migrant Book Assistance Program                                    | 17.264                                  | GRA 0484                                  | \$ 25,004    | \$ -          |
| Drug and Alcohol Studies Program                                   | 17.277                                  | GRA 4191                                  | 116,918      | -             |
| Total WIOA Cluster   |   |   | \$ 141,922   | \$ -          |
| <b>TRIO Cluster:</b>   |   |   |              |               |
| <u>U.S. Department of Education</u>                                |   |   |              |               |
| Direct Programs:   |   |   |              |               |
| CSUB TRIO Talent Search Program                                    | 84.044A                                 | P044A210365                               | \$ 405,461   | \$ -          |
| Trio Educational Talent Search                                     | 84.044A                                 | P044A160244                               | 158,132      | -             |
| Total TRIO Cluster   |   |   | \$ 563,593   | \$ -          |
| <u>U.S. Department of Interior, Bureau of Land Management</u>      |   |   |              |               |
| Direct Program:  |   |   |              |               |
| Detection of Coccidioides Immitis                                  | 15.225                                  | L21AC10478-00                             | \$ 84        | \$ -          |
| <u>U.S. Department of Justice/Office of Violence Against Women</u> |   |   |              |               |
| Direct Program:  |   |   |              |               |
| Roadrunner Risk Reduction Program                                  | 16.525                                  | 2018-WA-AX-0046                           | 67,968       | -             |
| <u>National Endowment for the Humanities</u>                       |   |   |              |               |
| Pass-through California Humanities:                                |   |   |              |               |
| Humanities Beyond Bars   | 45.129                                  | HFAP20-73                                 | 6,745        | -             |
| <u>Small Business Administration</u>                               |   |   |              |               |
| Pass-through The Regents of UC Merced:                             |   |   |              |               |
| Small Business Development Center (SBDC)                           | 59.037                                  | SBAHQ21B0069                              | 237,262      | -             |
| Central CA SBDC Center - COVID-19                                  | 59.037-COVID-19                         | SBAHQ20C0065                              | 127,819      | -             |
|  |   |   | 365,081      | -             |
| <u>U.S. Department of Education</u>                                |   |   |              |               |
| Direct Programs:   |   |   |              |               |
| HEP-High School Equivalency Program                                | 84.141A                                 | S141A200028                               | 468,570      | -             |
| College Assistance Migrant Program                                 | 84.149A                                 | S149A200030                               | 409,226      | -             |
| TQP III: Citizen Scientist Path                                    | 84.336S                                 | U336S180012                               | 1,034,520    | -             |
| Pass-through Tulare County:  |   |   |              |               |
| Teacher Residency for Rural Education                              | 84.336S                                 | 200766                                    | 142,554      | -             |

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

**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2022

| Federal/Pass-Through Grantor and Program<br>Title                | Federal<br>Assistance<br>Listing Number | Agency or Pass-<br>Through Grantor<br>No. | Expenditures        | Subrecipients     |
|--|---|---|---------------------|-------------------|
| <u>U.S. Department of Education, continued</u>                   |   |   |                     |                   |
| Pass-through UC Office of the President:                         |   |   |                     |                   |
| CSMP-ESSA21  | 84.367A                                 | S367A210005                               | \$ 20,635           | \$ -              |
| CSMP-ESSER-CMP - COVID-19  | 84.367A-COVID-19                        | S367A210005                               | 25,870              | -                 |
|  |   |   | <u>2,101,375</u>    | <u>-</u>          |
| <u>U.S. Department of Health &amp; Human Services</u>            |   |   |                     |                   |
| Direct Program:  |   |   |                     |                   |
| HRSA ANEW Program Transforming                                   | 93.247                                  | T94HP32897-01-00                          | 500,477             | 128,713           |
| Pass-through Regents of UC Berkeley :                            |   |   |                     |                   |
| CalSWEC/Foster Care Title IV-E Program                           | 93.658                                  | 20-3019                                   | 1,265,190           | -                 |
|  |   |   | <u>1,765,667</u>    | <u>128,713</u>    |
| <u>Corporation for National and Community Service-AmeriCorps</u> |   |   |                     |                   |
| Pass-through Jumpstart:  |   |   |                     |                   |
| Jumpstart Program 2021-22  | 94.006                                  | 3360200                                   | 84,835              | -                 |
| Jumpstart Training for ECE Students<br>Interested in Teaching    | 94.006                                  | 3360200                                   | 31,615              | -                 |
|  |   |   | <u>116,450</u>      | <u>-</u>          |
| Total Expenditures of Federal Awards                             |   |   | <u>\$ 7,624,725</u> | <u>\$ 128,713</u> |

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

**Notes to Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2022

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**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, 2022

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**Section I - Summary of Auditor's Results**

Financial Statements

|   |               |
|---|---------------|
| Type of auditor's 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 auditor's 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 |
|--|----|

Identification of major programs:

| <u>Federal Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> |
|--|---|
| Various                                  | Research and Development Cluster          |

|  |           |
|--|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
|--|-----------|

|  |     |
|--|-----|
| Auditee qualified as a low-risk auditee under the Uniform Guidance, 2 CFR section 200.520? | Yes |
|--|-----|

**Section II - Financial Statement Findings**

None reported.

**Section III - Federal Award Findings and Questioned Costs**

None reported.

**Section IV - Prior Year Findings**

None reported.

# California State University, Bakersfield Foundation

Financial Statements and Supplemental Information

Year Ended June 30, 2022





# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Financial Statements and Supplemental Information

Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Audit Committee  
California State University, Bakersfield Foundation

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

#### ***Opinion***

We have audited the accompanying financial statements of California State University, Bakersfield Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of California State University, Bakersfield Foundation as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Correction of Errors***

As discussed in Note 17 to the financial statements, errors were identified during the current year related to the misclassification in prior years of certain net asset balances which were incorrectly recorded as net assets without donor restrictions instead of net assets with donor restrictions. Accordingly, the amounts reported for net assets with donor restrictions and net assets without donor restrictions have been restated as of June 30, 2021 to correct the errors. Our opinion is not modified with respect to these matters.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Bakersfield Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 24-33 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 supplemental 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 21, 2022, on our consideration of California State University, Bakersfield Foundation'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of California State University, Bakersfield Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Bakersfield Foundation's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 21, 2022

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Statement of Financial Position

June 30, 2022

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### ASSETS

#### Current Assets:

|   |                   |
|---|-------------------|
| Cash and cash equivalents   | \$ 13,041,393     |
| Current portion of promises to give, net of allowance for doubtful promises | 3,151,468         |
| Accounts receivable   | 162               |
| Due from related parties  | 81,728            |
| <b>Total Current Assets</b>   | <b>16,274,751</b> |

#### Non-Current Assets:

|   |                   |
|---|-------------------|
| Investments   | 33,767,551        |
| Promises to give, net of discount and current portion   | 4,748,178         |
| Property and equipment, net of accumulated depreciation | 41,797            |
| Collections   | 91,670            |
| Life insurance policy                                   | 2,739             |
| <b>Total Non-Current Assets</b>                         | <b>38,651,935</b> |

**Total Assets** **\$ 54,926,686**

### LIABILITIES AND NET ASSETS

#### Current Liabilities:

|   |                  |
|---|------------------|
| Accounts payable  | \$ 127,124       |
| Accrued expenses  | 4,642            |
| Due to related parties  | 1,194,514        |
| Revenue collected in advance  | 80,814           |
| Current portion of accrued post-employment benefits other than pensions | 58,696           |
| <b>Total Current Liabilities</b>  | <b>1,465,790</b> |

#### Non-Current Liabilities:

|  |                  |
|--|------------------|
| Accrued post-employment benefits other than pensions, net of current portion | 706,838          |
| <b>Total Non-Current Liabilities</b>   | <b>706,838</b>   |
| <b>Total Liabilities</b>   | <b>2,172,628</b> |

#### Net Assets:

##### Without donor restrictions:

|                             |                  |
|-----------------------------|------------------|
| Operating                   | (2,574,027)      |
| Board designated endowments | 4,076,274        |
|                             | <u>1,502,247</u> |

##### With donor restrictions:

|   |                   |
|---|-------------------|
| Time restricted                           | 5,060             |
| Purpose restricted                        | 20,226,286        |
| Endowments - accumulated investment gains | 4,044,700         |
| Endowments - perpetual in nature          | 26,975,765        |
|   | <u>51,251,811</u> |

**Total Net Assets** **52,754,058**

**Total Liabilities and Net Assets** **\$ 54,926,686**

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Statement of Activities

Year Ended June 30, 2022

---

|  |                      |
|--|----------------------|
| Revenue and Other Support:                             |                      |
| Contributions  | \$ 10,717,055        |
| Contributed nonfinancial assets (Note 11)              | 3,196,642            |
| Other  | 945,987              |
| Investment loss  | <u>(4,848,421)</u>   |
| Total Revenue and Other Support                        | 10,011,263           |
| Expenses:  |                      |
| Program services:                                      |                      |
| Alumni engagement                                      | 45,362               |
| Athletics  | 1,652,812            |
| Scholarships and academic support                      | 7,384,565            |
| Supporting services:                                   |                      |
| General and administrative                             | 1,577,506            |
| Fundraising  | <u>2,512,167</u>     |
| Total Operating Expenses                               | <u>13,172,412</u>    |
| Loss from Operations                                   | (3,161,149)          |
| Non-Operating Expenses and Losses:                     |                      |
| Change in post-employment benefits other than pensions | (7,973)              |
| Change in donors' agreements (Note 14)                 | <u>(206,127)</u>     |
| Total Non-Operating Expenses and Losses                | <u>(214,100)</u>     |
| Change in Net Assets                                   | (3,375,249)          |
| Net Assets, beginning                                  | <u>56,129,307</u>    |
| Net Assets, ending                                     | <u>\$ 52,754,058</u> |

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

Year Ended June 30, 2022

|  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
|--|---------------------------------------|------------------------------------|----------------------|
| Revenue and Other Support:                             |                                       |                                    |                      |
| Contributions  | \$ 42,202                             | \$ 10,674,853                      | \$ 10,717,055        |
| Contributed nonfinancial assets (Note 11)              | 3,055,011                             | 141,631                            | 3,196,642            |
| Other  | 395,451                               | 550,536                            | 945,987              |
| Investment loss  | (719,877)                             | (4,128,544)                        | (4,848,421)          |
| Net assets released from restriction                   | <u>8,766,665</u>                      | <u>(8,766,665)</u>                 | <u>-</u>             |
| Total Revenue and Other Support                        | 11,539,452                            | (1,528,189)                        | 10,011,263           |
| Expenses:  |                                       |                                    |                      |
| Program services:                                      |                                       |                                    |                      |
| Alumni engagement                                      | 45,362                                | -                                  | 45,362               |
| Athletics  | 1,652,812                             | -                                  | 1,652,812            |
| Scholarships and academic support                      | 7,384,565                             | -                                  | 7,384,565            |
| Supporting services:                                   |                                       |                                    |                      |
| General and administrative                             | 1,577,506                             | -                                  | 1,577,506            |
| Fundraising  | <u>2,512,167</u>                      | <u>-</u>                           | <u>2,512,167</u>     |
| Total Operating Expenses                               | <u>13,172,412</u>                     | <u>-</u>                           | <u>13,172,412</u>    |
| Loss from Operations                                   | (1,632,960)                           | (1,528,189)                        | (3,161,149)          |
| Non-Operating Expenses and Losses:                     |                                       |                                    |                      |
| Change in post-employment benefits other than pensions | (7,973)                               | -                                  | (7,973)              |
| Change in donors' agreements (Note 14)                 | <u>-</u>                              | <u>(206,127)</u>                   | <u>(206,127)</u>     |
| Total Non-Operating Expenses and Losses                | <u>(7,973)</u>                        | <u>(206,127)</u>                   | <u>(214,100)</u>     |
| Change in Net Assets                                   | (1,640,933)                           | (1,734,316)                        | (3,375,249)          |
| Net Assets, beginning as previously stated             | 10,722,357                            | 45,406,950                         | 56,129,307           |
| Restatements (Note 17)                                 | <u>(7,579,177)</u>                    | <u>7,579,177</u>                   | <u>-</u>             |
| Net Assets, beginning as restated                      | <u>3,143,180</u>                      | <u>52,986,127</u>                  | <u>56,129,307</u>    |
| Net Assets, ending                                     | <u>\$ 1,502,247</u>                   | <u>\$ 51,251,811</u>               | <u>\$ 52,754,058</u> |

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**

**Statement of Functional Expenses**

Year Ended June 30, 2022

|   | Program Services     |                     |  |                              | Supporting Services           |                     |                                 |                      |
|---|----------------------|---------------------|--|------------------------------|-------------------------------|---------------------|---------------------------------|----------------------|
|   | Alumni<br>Engagement | Athletics           | Scholarships<br>and<br>Academic<br>Support | Total<br>Program<br>Services | General and<br>Administrative | Fundraising         | Total<br>Supporting<br>Services | Total                |
| Operating Expenses:                                       |                      |                     |  |                              |                               |                     |                                 |                      |
| Transfers to CSU Bakersfield                              | \$ 500               | \$ 112,388          | \$ 5,806,291                               | \$ 5,919,179                 | \$ -                          | \$ -                | \$ -                            | \$ 5,919,179         |
| University contract expenses (Note 11)                    | -                    | -                   | -  | -                            | 1,004,069                     | 2,050,942           | 3,055,011                       | 3,055,011            |
| Scholarships  | 24,168               | 834,180             | 746,473                                    | 1,604,821                    | -                             | -                   | -                               | 1,604,821            |
| Salaries and wages  | 450                  | 265,268             | 251,396                                    | 517,114                      | -                             | -                   | -                               | 517,114              |
| Employee benefits   | -                    | 101,213             | 14,903                                     | 116,116                      | 217,265                       | 22,554              | 239,819                         | 355,935              |
| Supplies and services                                     | 2,810                | 26,268              | 192,261                                    | 221,339                      | 44,760                        | 29,790              | 74,550                          | 295,889              |
| Office expense  | 6,812                | 53,239              | 54,442                                     | 114,493                      | 45,174                        | 95,603              | 140,777                         | 255,270              |
| Travel  | 1,057                | 80,917              | 39,227                                     | 121,201                      | 4,981                         | 17,668              | 22,649                          | 143,850              |
| Contributed nonfinancial asset expenses                   | 200                  | 66,682              | 74,749                                     | 141,631                      | -                             | -                   | -                               | 141,631              |
| Dues and subscriptions                                    | 2,913                | 150                 | 90,048                                     | 93,111                       | 17,750                        | 25,040              | 42,790                          | 135,901              |
| Other professional fees                                   | 6,139                | 11,800              | 58,366                                     | 76,305                       | 5,036                         | 49,006              | 54,042                          | 130,347              |
| Advertising and promotion                                 | 151                  | 700                 | 1,821                                      | 2,672                        | 67,786                        | 57,849              | 125,635                         | 128,307              |
| Miscellaneous   | -                    | 78,890              | 21,293                                     | 100,183                      | -                             | 2,492               | 2,492                           | 102,675              |
| Information technology                                    | -                    | -                   | 19,653                                     | 19,653                       | 9,444                         | 65,247              | 74,691                          | 94,344               |
| Conference, conventions, and meetings                     | -                    | -                   | 5,042                                      | 5,042                        | 7,907                         | 40,640              | 48,547                          | 53,589               |
| Events  | -                    | -                   | 2,224                                      | 2,224                        | -                             | 48,210              | 48,210                          | 50,434               |
| Bad debt  | -                    | -                   | -  | -                            | 44,329                        | -                   | 44,329                          | 44,329               |
| Accounting  | -                    | -                   | -  | -                            | 39,940                        | -                   | 39,940                          | 39,940               |
| Depreciation  | -                    | 3,050               | -  | 3,050                        | 30,317                        | -                   | 30,317                          | 33,367               |
| Payroll taxes   | -                    | 16,801              | -  | 16,801                       | -                             | 1,799               | 1,799                           | 18,600               |
| Occupancy   | 162                  | -                   | 6,183                                      | 6,345                        | 5,037                         | 3,803               | 8,840                           | 15,185               |
| Minor equipment   | -                    | 1,266               | -  | 1,266                        | 12,995                        | 200                 | 13,195                          | 14,461               |
| Insurance   | -                    | -                   | 193  | 193                          | 10,551                        | 1,324               | 11,875                          | 12,068               |
| Legal   | -                    | -                   | -  | -                            | 10,165                        | -                   | 10,165                          | 10,165               |
| <b>Total operating expenses</b>                           | <b>45,362</b>        | <b>1,652,812</b>    | <b>7,384,565</b>                           | <b>9,082,739</b>             | <b>1,577,506</b>              | <b>2,512,167</b>    | <b>4,089,673</b>                | <b>13,172,412</b>    |
| Non-Operating Expenses:                                   |                      |                     |  |                              |                               |                     |                                 |                      |
| Change in post-employment benefits<br>other than pensions | -                    | -                   | -  | -                            | 7,973                         | -                   | 7,973                           | 7,973                |
| <b>Total expenses</b>                                     | <b>\$ 45,362</b>     | <b>\$ 1,652,812</b> | <b>\$ 7,384,565</b>                        | <b>\$ 9,082,739</b>          | <b>\$ 1,585,479</b>           | <b>\$ 2,512,167</b> | <b>\$ 4,097,646</b>             | <b>\$ 13,180,385</b> |

See accompanying notes to financial statements.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Statement of Cash Flows

Year Ended June 30, 2022

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|   |                      |
|---|----------------------|
| Cash Flows from Operating Activities:   |                      |
| Change in net assets  | \$ (3,375,249)       |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                      |
| Depreciation  | 33,367               |
| Transfer of property and equipment to the University  | 641,222              |
| Loss on investments   | 4,665,258            |
| Endowment contributions   | 2,972,918            |
| Changes in operating assets and liabilities:  |                      |
| Promises to give  | (2,767,221)          |
| Accounts receivable   | (79,204)             |
| Life insurance policy   | 684,512              |
| Accounts payable and accrued expenses   | 9,600                |
| Other liabilities   | <u>(1,895,303)</u>   |
| Net Cash Provided by Operating Activities   | 889,900              |
| Cash Flows from Investing Activities:   |                      |
| Purchases of investments  | (29,376,129)         |
| Proceeds from sale of investments   | <u>35,724,353</u>    |
| Net Cash Provided by Investing Activities   | 6,348,224            |
| Cash Flows Used by Financing Activities:  |                      |
| Endowment contributions   | <u>(2,972,918)</u>   |
| Net Increase in Cash and Cash Equivalents   | 4,265,206            |
| Cash and Cash Equivalents, beginning  | <u>8,776,187</u>     |
| Cash and Cash Equivalents, ending   | <u>\$ 13,041,393</u> |



# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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

#### Nature of Activities

The California State University, Bakersfield Foundation (the Foundation), was incorporated in the State of California on February 5, 1969. The Foundation was formed and operates as a nonprofit 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 on behalf of the University, fundraising for University programs and activities, and managing the finances of the Foundation and the University endowment.

#### New Accounting Pronouncement

In September 2020, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Foundation. During the year ended June 30, 2022, the Foundation adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*.

Management has analyzed the provisions of the FASB's ASU Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* and has included the necessary disclosure in Note 11.

#### Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. 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.

#### Use of Estimates

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

#### Income Taxes

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 is not a private foundation.

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 statement of activities, when applicable. Management has determined that the Foundation has no uncertain tax positions at June 30, 2022 and therefore, no amounts have been accrued.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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

#### 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, 2022 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 statement 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. Purchases and sales of securities are recorded on the basis at which traded on that date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the change in net assets in the statement 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, 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 asset of three to 30 years.

#### 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 year ended June 30, 2022. Capitalized collections are not depreciated. The University Policy on the Collection and Installation of Art requires funds realized from deaccession sales be used to benefit the University art collection. In the event that the Foundation disposed of collection items, proceeds could be used for the acquisition of new collection items or direct care of existing collections. Direct care of existing collections includes, but is not limited to, costs that enhance the life, usefulness, or quality of the collection.

#### Life Insurance Policies

From time to time, 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 cash surrender value discounted for life expectancy.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

---

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

#### Revenue Recognition

*Contributions* – 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 statement 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.

*Contributed Nonfinancial Assets* – Contributions of services and tangible assets are recognized at fair market value when received. Contributed nonfinancial assets are recognized as net assets without donor restrictions unless donor stipulation requires them to be recognized as net assets with donor restrictions.

*Other Revenue* – Other revenue is primarily composed of administrative fees charged when payments on contributions are received and sponsorships. Revenue is recognized at a point in time when the contribution is received or sponsorship is made.

#### 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 U.S. GAAP. 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.

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.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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

#### Fair Value Measurements, continued

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, 2022.

Corporate bonds and government securities – Valued using pricing models maximizing the use of observable inputs for similar securities.

Mutual funds 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.

Private equity and private real estate – Valued at net asset value per share.

#### Future Accounting Standards

The FASB has issued a substantial ASU, which will become effective during the year ended June 30, 2023.

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in U.S. 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 21, 2022, which is the date the financial statements were available to be issued.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### 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.

|  |    |                       |
|--|----|-----------------------|
| Cash and cash equivalents  | \$ | 13,041,393            |
| Promises to give, net  |    | 7,899,646             |
| Accounts receivable  |    | 162                   |
| Due from related parties   |    | 81,728                |
| Investments  |    | 33,767,551            |
| Anticipated distributions from endowments  |    | <u>1,207,060</u>      |
| Total financial assets   |    | 55,997,540            |
| Less amounts not available to be used within one year:                                 |    |                       |
| Restricted by donor with time or purpose restrictions                                  |    | (51,251,811)          |
| Board designations: quasi-endowment fund, primarily for long-term investing            |    | <u>(4,076,274)</u>    |
| Financial assets available to meet cash needs for general expenditures within one year | \$ | <u><u>669,455</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 money market funds. The Foundation has a quasi-endowment of \$4,076,274, of which \$2,062,614 is designated for general operations. 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, by an action voted on by the board of directors.

### 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, 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.

Two donors comprised 31% of promises to give at June 30, 2022 and two donors comprised 35% of contributions for the year ended June 30, 2022.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

### Note 4 - Investments and Fair Value Measurement

Investments consist of the following:

|                          | Level 1              | Level 2             | Level 3     | NAV                 | Total                |
|--------------------------|----------------------|---------------------|-------------|---------------------|----------------------|
| Corporate bonds          | \$ -                 | \$ 1,526,373        | \$ -        | \$ -                | \$ 1,526,373         |
| Government securities:   |                      |                     |             |                     |                      |
| U.S. Agency securities   | -                    | 5,932,096           | -           | -                   | 5,932,096            |
| U.S. Treasury securities | -                    | 393,702             | -           | -                   | 393,702              |
| Mutual funds:            |                      |                     |             |                     |                      |
| Large cap                | 9,271,082            | -                   | -           | -                   | 9,271,082            |
| Domestic                 | 1,138,406            | -                   | -           | -                   | 1,138,406            |
| International            | 4,636,578            | -                   | -           | -                   | 4,636,578            |
| Mid cap                  | 773,408              | -                   | -           | -                   | 773,408              |
| Nontraditional           | 1,518,543            | -                   | -           | -                   | 1,518,543            |
| Emerging markets         | 2,668,109            | -                   | -           | -                   | 2,668,109            |
| Alternative investments: |                      |                     |             |                     |                      |
| Hedge funds              | -                    | -                   | -           | 3,281,325           | 3,281,325            |
| Private equity           | -                    | -                   | -           | 1,413,830           | 1,413,830            |
| Private real estate      | -                    | -                   | -           | 1,214,099           | 1,214,099            |
|                          | <u>\$ 20,006,126</u> | <u>\$ 7,852,171</u> | <u>\$ -</u> | <u>\$ 5,909,254</u> | <u>\$ 33,767,551</u> |

Commitments and redemptions schedule for those investments valued based on NAV are as follows:

|   | Fair Value   | Unfunded<br>Commitment | Redemption<br>Frequency | Redemption<br>Notice Period |
|---|--------------|------------------------|-------------------------|-----------------------------|
| Ironwood Inst MS Hedge Fund [a]                         | \$ 1,056,103 | none                   | semi-annually           | 95 calendar days            |
| Hamilton Lane PMOF I [b]                                | 1,381,330    | \$ 412,926             | none                    | none                        |
| Blackstone BREIT [c]                                    | 828,628      | none                   | monthly                 | T-3 business days           |
| Coatue Offshore Fund, Ltd. [d]                          | 441,661      | none                   | quarterly               | 45 calendar days            |
| Cooper Square Offshore Fund, Ltd. [e]                   | 447,719      | none                   | quarterly               | 60 days                     |
| Starboard Value and Opportunity Fund [f]                | 506,087      | none                   | quarterly               | 90 days                     |
| Schonfeld Fundamental Equity Fund [g]                   | 361,760      | none                   | quarterly               | 45 days                     |
| SEG Partners Offshore, Ltd. [h]                         | 467,995      | none                   | quarterly               | 60 days                     |
| HarbourVest Co-Investment VI LP [i]                     | 32,500       | 617,500                | none                    | none                        |
| Bridge Workforce & Affordable Housing<br>Fund II LP [j] | 385,471      | 267,040                | none                    | none                        |

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

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

[c] Blackstone BREIT is a 1933 Act non-traded perpetual life real estate investment trust (REIT). The fund focuses on investing in stabilized, income-generating commercial real estate in the U.S. and is diversified across property types.

[d] Coatue Offshore Fund, Ltd. is a long/short hedge fund, focused on the technology, media and telecommunications sectors.

[e] Cooper Square Offshore Fund, Ltd. is an international equity focused long/short hedge fund that utilizes a bottom-up research approach to invest in companies across sectors and market capitalizations.

[f] Starboard Value and Opportunity Fund Ltd. is an event-driven hedge fund that seeks to invest in undervalued companies and actively engage with management teams and boards of directors to identify and execute on opportunities to unlock value.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### Note 4 - Investments and Fair Value Measurement, continued

[g] Schonfeld Fundamental Equity Fund is a multi-manager platform equity market neutral hedge fund that invests with the majority of Schonfeld Strategic Advisors LLC's fundamental discretionary PMs and a subset of its tactical strategy managers.

[h] SEG Partners Offshore, Ltd. is a U.S.-focused long/short equity hedge fund that utilizes a bottom-up research approach to invest in companies across sectors and market capitalizations.

[i] HarbourVest Co-Investment VI LP is a global private equity fund of direct co-investments primarily in the buyout and growth equity spaces.

[j] Bridge Workforce & Affordable Housing Fund II LP is a value-add private real estate fund that focuses on the multi-family sector. Their investments seek to preserve, rehabilitate and develop workforce and affordable housing assets in high-growth U.S. markets.

### Note 5 - Promises to Give

Promises to give consist of the following:

|   |                     |
|---|---------------------|
| Due in less than one year                                 | \$ 3,372,361        |
| Due in one to five years                                  | 4,456,035           |
| Due in more than five years                               | <u>674,000</u>      |
| Gross promises to give                                    | 8,502,396           |
| Less:   |                     |
| Allowance for doubtful promises to give                   | (220,893)           |
| Discount on promises to give (average imputed rate of 3%) | <u>(381,857)</u>    |
| Promises to give, net                                     | <u>\$ 7,899,646</u> |

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

|             |                     |
|-------------|---------------------|
| Current     | \$ 3,151,468        |
| Non-current | <u>4,748,178</u>    |
|             | <u>\$ 7,899,646</u> |

### Note 6 - Property and Equipment

Property and equipment consist of the following:

|                                     |                    |
|-------------------------------------|--------------------|
| Equipment                           | \$ 1,571,775       |
| Leasehold improvements              | 232,323            |
| Improvements, other than buildings  | 72,963             |
| Buildings and building improvements | <u>12,127</u>      |
|                                     | 1,889,188          |
| Less accumulated depreciation       | <u>(1,850,530)</u> |
|                                     | 38,658             |
| Land                                | <u>3,139</u>       |
|                                     | <u>\$ 41,797</u>   |

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### 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 year ended June 30, 2022, the benefit obligation contribution was made by CSU Bakersfield.

### Note 8 - Post-Employment Benefits Other Than Pensions

The Foundation no longer has direct employees that qualify for postretirement health care benefits through CalPERS and instead utilizes services from the University to fulfill its needs. However, these benefits are provided to previous direct employees of the Foundation who retired prior to this operational change. 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, 2022:

Net periodic postretirement benefit cost included the following components:

|  |    |                 |
|--|----|-----------------|
| Service cost                             | \$ | -               |
| Interest cost                            |    | 31,420          |
| Amortization net gain                    |    | (131,166)       |
| Net periodic postretirement benefit cost | \$ | <u>(99,746)</u> |

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

|   |       |
|---|-------|
| Discount rate                                 | 4.00% |
| Expected long-term rate of return             | N/A   |
| Health care cost trend rate:                  |       |
| Present rate before 65                        | 7.00% |
| Present rate 65 and older                     | 5.00% |
| Ultimate rate before age 65 (year reached)    | 5.00% |
| Ultimate rate age 65 and older (year reached) | 5.00% |

Accumulated postretirement and projected benefit obligation:

|          |    |                |
|----------|----|----------------|
| Retirees | \$ | <u>765,534</u> |
|----------|----|----------------|

Funded status:

|   |    |                 |
|---|----|-----------------|
| Beginning accrued postretirement benefit obligation | \$ | 815,216         |
| Actuarial loss                                      |    | 107,719         |
| Retiree contributions:                              |    |                 |
| Net periodic postretirement cost                    |    | (99,746)        |
| Estimated benefit payments                          |    | <u>(57,655)</u> |
| Ending accrued postretirement benefit obligation    | \$ | <u>765,534</u>  |



# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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

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

|   |       |
|---|-------|
| Discount rate                                 | 4.50% |
| Health care cost trend rate:                  |       |
| Present rate before 65                        | 6.75% |
| Present rate 65 and older                     | 5.00% |
| Ultimate rate before age 65 (year reached)    | 5.00% |
| Ultimate rate age 65 and older (year reached) | 5.00% |

The expected net periodic postretirement benefit cost for fiscal year 2023:

|   |    |                        |
|---|----|------------------------|
| Service cost                              | \$ | -                      |
| Interest cost                             |    | 33,128                 |
| Amortization of unrecognized net gain     |    | <u>(117,667)</u>       |
| Net periodic postretirement benefit costs | \$ | <u><u>(84,539)</u></u> |

The expected contribution for the next 10 years:

|           |    |         |
|-----------|----|---------|
| 2023      | \$ | 58,696  |
| 2024      |    | 60,384  |
| 2025      |    | 54,023  |
| 2026      |    | 54,936  |
| 2027      |    | 55,692  |
| 2028-2030 |    | 250,145 |

An actuarial study is completed annually. The schedule presented above is based on the study completed on August 5, 2022, as of and for the year then ended June 30, 2022.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### Note 9 - Net Assets

Net assets without donor restrictions includes operating net asset deficits due to postretirement benefit liabilities.

Net assets with donor restrictions consist of the following:

Time restrictions:

|             |          |
|-------------|----------|
| General use | \$ 5,060 |
|-------------|----------|

Purpose restrictions:

Promises to give:

|                   |                   |
|-------------------|-------------------|
| Academic programs | 4,315,036         |
| Scholarships      | 1,045,559         |
| Athletic programs | 396,958           |
| Academic programs | 10,991,301        |
| Scholarships      | 1,766,038         |
| Athletic programs | 1,711,394         |
|                   | <u>20,226,286</u> |

Endowments:

Promises to give:

|                   |                   |
|-------------------|-------------------|
| Academic programs | 1,746,939         |
| Athletic programs | 198,522           |
| Scholarships      | 191,572           |
| Academic programs | 15,111,680        |
| Scholarships      | 13,145,501        |
| Athletic programs | 626,251           |
|                   | <u>31,020,465</u> |

\$ 51,251,811

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:

Satisfaction of time and purpose restrictions:

|                   |                  |
|-------------------|------------------|
| Athletic programs | \$ 6,420,698     |
| Scholarships      | 1,611,841        |
| Academic programs | 728,896          |
|                   | <u>8,761,435</u> |

Satisfaction of time restrictions:

|             |                  |
|-------------|------------------|
| General use | 5,230            |
|             | <u>8,766,665</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 board-designated endowment funds.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

### Notes to Financial Statements

Year Ended June 30, 2022

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#### Note 10 - Endowments, continued

The Foundation's endowments consist of funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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 donor-restricted endowment fund
- 2) The purposes of the Foundation and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation or deflation
- 5) The expected total return from income and the appreciation of investment assets
- 6) Other resources of the Foundation
- 7) The investment policy statement 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 spend amount equal to 4.00% based upon the spend formula, in addition to the Foundation's 1.00% investment management fee. The spend formula 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, 5.00% 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.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### Note 10 - Endowments, continued

The endowment net assets composition by type of fund consisted of the following:

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
|---|---------------------------------------|------------------------------------|----------------------|
| Board designated endowment funds  | \$ 4,076,274                          | \$ -                               | \$ 4,076,274         |
| Donor designated funds:   |                                       |                                    |                      |
| Original donor-restricted gift amount required to be<br>maintained in perpetuity by donor | -                                     | 26,975,765                         | 26,975,765           |
| Accumulated investment gains  | -                                     | 4,044,700                          | 4,044,700            |
|   | <u>\$ 4,076,274</u>                   | <u>\$ 31,020,465</u>               | <u>\$ 35,096,739</u> |

The changes in endowment net assets consisted of the following:

|  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
|--|---------------------------------------|------------------------------------|----------------------|
| Endowment net assets, beginning of year as<br>restated (Note 17) | \$ 1,546,157                          | \$ 33,480,391                      | \$ 35,026,548        |
| Contributions  | 3,468,956                             | 2,972,918                          | 6,441,874            |
| Appropriated expenditures  | (280,701)                             | (1,447,563)                        | (1,728,264)          |
| Investment return, net   | (658,138)                             | (3,985,281)                        | (4,643,419)          |
| Endowment net assets, end of year                                | <u>\$ 4,076,274</u>                   | <u>\$ 31,020,465</u>               | <u>\$ 35,096,739</u> |

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 eight donor designated endowment funds, which together have an original gift value of \$5,823,835, a current fair value of \$5,653,417, and a deficiency of \$170,418 as of June 30, 2022.

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 \$73,090 from underwater endowment funds during the year ended June 30, 2022.

## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

### Notes to Financial Statements

Year Ended June 30, 2022

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#### Note 11 - Contributed Nonfinancial Assets

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the statement of activities include:

|                                       |                     |
|---------------------------------------|---------------------|
| University contract services:         |                     |
| University employee services:         |                     |
| Fundraising services                  | \$ 1,986,292        |
| General and administrative services   | 972,419             |
| Rent of University facilities:        |                     |
| Fundraising services                  | 64,650              |
| General and administrative services   | 31,650              |
|                                       | <hr/>               |
|                                       | 3,055,011           |
| Other supplies and services:          |                     |
| Equipment                             | 71,314              |
| Services                              | 34,899              |
| Food and beverage                     | 30,318              |
| Artwork                               | 4,900               |
| Gift cards                            | 200                 |
|                                       | <hr/>               |
|                                       | 141,631             |
|                                       | <hr/>               |
| Total contributed nonfinancial assets | \$ <u>3,196,642</u> |

The Foundation recognized contributed nonfinancial assets within revenue, including University contract services for employee services and facility rental that the University provides to support the operations of the Foundation. Contributed nonfinancial assets also include contributions for equipment, services, food and beverage, artwork, and gift cards. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

University contract services include facilities and University employees who provide direct supporting and indirect other services for the Foundation. University employees provide services such as human resources, facilities management, information technology and other administrative services as appropriate. These services are valued at the estimated fair value in the financial statements based on the estimated employee cost incurred to provide those services. The Foundation uses University facilities to provide space for the University employees who provide direct supporting services on behalf of the Foundation. The Foundation paid no rent to the University and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

Contributed nonfinancial assets identified as other supplies and services contributions were utilized by the Athletic, Academic Support, and Alumni programs. The Athletic program utilized both equipment and food and beverage contributions. Equipment was also utilized by the Academic Support program. Artwork was utilized in the Academic Support program. Gift cards were utilized in the Alumni program. In valuing food and beverage, the Foundation estimated the fair value on the basis of wholesale values and comparable sales prices. In valuing equipment, artwork, and gift cards, the Foundation estimated fair value on the basis of comparable sales prices.

Contributed nonfinancial assets also include contributions related to medic standby services from an ambulance company at Athletic events and Health Services clinics. These services are valued and reported at the estimated fair value based on current rates for similar medical services.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### 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 operating various grant and research programs.

Associated Students, California State University, Bakersfield, Inc. (Associated Students) functions to benefit the student body of the University by operating various student-led programs.

California State University, Bakersfield Student-centered Enterprises, Inc. (Student-centered Enterprises) functions to benefit the student body of the University by operating various student enterprise programs.

Transactions with related parties are reflected in the accompanying financial statements as follows:

#### Payments received from:

##### University:

|                                   |    |                |
|-----------------------------------|----|----------------|
| Student services                  | \$ | 626,230        |
| Program fees                      |    | 37,521         |
| Sponsored Programs Administration |    | 24,818         |
| Associated Students               |    | 544            |
| Student-centered Enterprises      |    | 576            |
|                                   | \$ | <u>689,689</u> |

#### Payments to:

##### University:

|                                   |    |                  |
|-----------------------------------|----|------------------|
| Funding for capital projects      | \$ | 5,086,630        |
| Scholarships                      |    | 972,653          |
| Administrative services           |    | 938,094          |
| Sponsored Programs Administration |    | 70,491           |
| Associated Students               |    | 633,928          |
| Student-centered Enterprises      |    | 10,797           |
|                                   | \$ | <u>7,712,593</u> |

#### Due from related parties:

##### University:

|                              |    |               |
|------------------------------|----|---------------|
| University                   | \$ | 80,708        |
| Associated Students          |    | 444           |
| Student-centered Enterprises |    | 576           |
|                              | \$ | <u>81,728</u> |

#### Due to related parties:

##### University:

|                              |    |                  |
|------------------------------|----|------------------|
| University                   | \$ | 1,192,554        |
| Student-centered Enterprises |    | 1,960            |
|                              | \$ | <u>1,194,514</u> |

For the year ended June 30, 2022, of the \$633,928 reported as payments to Associated Students, \$630,664 is related to scholarship payments which were reimbursed by the Foundation and are reported in program services on the statement of activities and scholarships expense on the statement of functional expenses.

In addition to the related party transactions noted above, the Foundation also recorded University contract services revenue and expense in the amount of \$3,055,011, as noted in Note 11.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### 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 statement of activities.

### Note 14 - Change in Donors' Agreements

The Foundation entered into revised gift agreements with two donors during the year ended June 30, 2022. These agreements updated the terms and conditions of the promises to give and contributions that were previously recognized in prior years. The adjustment of \$206,127 has been recognized as change in donors' agreements in the statement of activities.

### Note 15 - Conditional Contributions

Conditional contributions consisted of the following:

|                      |                     |
|----------------------|---------------------|
| Student scholarships | \$ 1,290,000        |
| Other programs       | <u>160,814</u>      |
|                      | <u>\$ 1,450,814</u> |

Conditional contributions received for student scholarships are conditional on successful annual review. Conditional contributions received for other 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 \$1,450,814 conditional portion of contributions has not been recognized in the statement of activities for the year ended June 30, 2022.

As of June 30, 2022, \$80,814 of conditional contributions have been collected in advance, and are reported as revenue collected in advance on the statement of financial position. The Foundation expects all conditions to be met within the next fiscal year.

The Foundation receives bequests, intentions, and other types of planned gift communications from donors which are conditional due to dependence upon a future event. Neither the timing nor the amount of the promise is clearly determinable. These gifts are not recognized as contributions until they become unconditional promises to give. At present, value cannot be determined.

### Note 16 - Contingency

From time to time, the Foundation 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 Foundation's financial position, changes in net assets, or liquidity.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Notes to Financial Statements

Year Ended June 30, 2022

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### Note 17 - Prior Period Adjustments

During the year ended June 30, 2022, it was determined that net asset classifications for some funds were not properly classified in prior years. Net assets as of the beginning of the fiscal year have been adjusted to the proper net asset classifications. The correction had no effect on the results of the current year's activities, however, the cumulative effect decreased net assets without donor restrictions by \$7,579,177 and increased net assets with donor restrictions by \$7,579,177.



## SUPPLEMENTAL INFORMATION

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Schedule of Net Position

June 30, 2022

(for inclusion in the California State University)

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### Assets:

#### Current assets:

|   |                   |
|---|-------------------|
| Cash and cash equivalents                 | 13,041,393        |
| Short-term investments                    | -                 |
| Accounts receivable, net                  | 81,890            |
| Lease receivables, current portion        | -                 |
| Notes receivable, current portion         | -                 |
| Pledges receivable, net                   | 3,151,468         |
| Prepaid expenses and other current assets | -                 |
| <b>Total current assets</b>               | <b>16,274,751</b> |

#### Noncurrent assets:

|   |                   |
|---|-------------------|
| Restricted cash and cash equivalents      | -                 |
| Accounts receivable, net                  | -                 |
| Lease receivables, net of current portion | -                 |
| Notes receivable, net of current portion  | -                 |
| Student loans receivable, net             | -                 |
| Pledges receivable, net                   | 4,748,178         |
| Endowment investments                     | 32,217,518        |
| Other long-term investments               | 1,550,033         |
| Capital assets, net                       | 133,467           |
| Other assets                              | 2,739             |
| <b>Total noncurrent assets</b>            | <b>38,651,935</b> |
| <b>Total assets</b>                       | <b>54,926,686</b> |

#### Deferred outflows of resources:

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

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

June 30, 2022

(for inclusion in the California State University)

**Liabilities:****Current liabilities:**

|   |                  |
|---|------------------|
| Accounts payable  | 127,124          |
| Accrued salaries and benefits   | -                |
| Accrued compensated absences, current portion                             | -                |
| Unearned revenues   | 80,814           |
| Lease liabilities, current portion  | -                |
| Long-term debt obligations, current portion                               | -                |
| Claims liability for losses and loss adjustment expenses, current portion | -                |
| Depository accounts   | -                |
| Other liabilities   | 1,199,156        |
| <b>Total current liabilities</b>  | <b>1,407,094</b> |

**Noncurrent liabilities:**

|  |                  |
|--|------------------|
| Accrued compensated absences, net of current portion                             | -                |
| Unearned revenues  | -                |
| Grants refundable  | -                |
| Lease liabilities, net of current portion  | -                |
| Long-term debt obligations, net of current portion                               | -                |
| Claims liability for losses and loss adjustment expenses, net of current portion | -                |
| Depository accounts  | -                |
| Net other postemployment benefits liability                                      | 765,534          |
| Net pension liability  | -                |
| Other liabilities  | -                |
| <b>Total noncurrent liabilities</b>  | <b>765,534</b>   |
| <b>Total liabilities</b>   | <b>2,172,628</b> |

**Deferred inflows of resources:**

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

**Net position:**

|                                  |                   |
|----------------------------------|-------------------|
| Net investment in capital assets | 133,467           |
| Restricted for:                  |                   |
| Nonexpendable – endowments       | 26,975,765        |
| Expendable:                      |                   |
| Scholarships and fellowships     | 5,625,683         |
| Research                         | -                 |
| Loans                            | -                 |
| Capital projects                 | -                 |
| Debt service                     | -                 |
| Others                           | 18,650,363        |
| Unrestricted                     | 1,368,780         |
| <b>Total net position</b>        | <b>52,754,058</b> |

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

Year Ended June 30, 2022

(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                           | 4,142,629 |

**Total operating revenues** 4,142,629

**Expenses:****Operating expenses:**

|                                    |           |
|------------------------------------|-----------|
| Instruction                        | -         |
| Research                           | -         |
| Public service                     | -         |
| Academic support                   | -         |
| Student services                   | 7,461,647 |
| Institutional support              | 4,080,550 |
| Operation and maintenance of plant | -         |
| Student grants and scholarships    | 1,604,821 |
| Auxiliary enterprise expenses      | -         |
| Depreciation and amortization      | 33,367    |

**Total operating expenses** 13,180,385

**Operating income (loss)** (9,037,756)

**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  | 7,744,137   |
| Investment income (loss), net                              | (863,140)   |
| Endowment income (loss), net                               | (3,985,281) |
| Interest expense   | -           |
| Other nonoperating revenues (expenses)                     | (206,127)   |

**Net nonoperating revenues (expenses)** 2,689,589

**Income (loss) before other revenues (expenses)** (6,348,167)

|  |                    |
|--|--------------------|
| State appropriations, capital                  | -                  |
| Grants and gifts, capital                      | -                  |
| Additions (reductions) to permanent endowments | 2,972,918          |
| <b>Increase (decrease) in net position</b>     | <u>(3,375,249)</u> |

**Net position:**

|   |                   |
|---|-------------------|
| Net position at beginning of year, as previously reported | 56,129,307        |
| Restatements  | -                 |
| <b>Net position at beginning of year, as restated</b>     | <u>56,129,307</u> |
| <b>Net position at end of year</b>                        | <u>52,754,058</u> |

See independent auditor's report.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Other Information

June 30, 2022

(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                        | -                           |
| <b>Noncurrent restricted cash and cash equivalents</b>                | <u>-</u>                    |
| Current cash and cash equivalents                                     | 13,041,393                  |
| <b>Total</b>  | <u><b>\$ 13,041,393</b></u> |

### 2.1 Composition of investments:

| Investment Type  | Current            | Noncurrent              | Total                   |
|--|--------------------|-------------------------|-------------------------|
| Money market funds                                       | \$ -               | -                       | -                       |
| Repurchase agreements                                    | -                  | -                       | -                       |
| Certificates of deposit                                  | -                  | -                       | -                       |
| U.S. agency securities                                   | -                  | 5,932,096               | 5,932,096               |
| U.S. treasury securities                                 | -                  | 393,702                 | 393,702                 |
| Municipal bonds  | -                  | -                       | -                       |
| Corporate bonds  | -                  | 1,526,373               | 1,526,373               |
| Asset backed securities                                  | -                  | -                       | -                       |
| Mortgage backed securities                               | -                  | -                       | -                       |
| Commercial paper   | -                  | -                       | -                       |
| Mutual funds   | -                  | 20,006,126              | 20,006,126              |
| Exchange traded funds                                    | -                  | -                       | -                       |
| Equity securities  | -                  | -                       | -                       |
| Alternative investments:                                 |                    |                         |                         |
| Private equity (including limited partnerships)          | -                  | 1,413,830               | 1,413,830               |
| Hedge funds  | -                  | 3,281,325               | 3,281,325               |
| Managed futures  | -                  | -                       | -                       |
| Real estate investments (including REITs)                | -                  | 1,214,099               | 1,214,099               |
| 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                                  | -                  | -                       | -                       |
| <b>Total investments</b>                                 | <u>-</u>           | <u>33,767,551</u>       | <u>33,767,551</u>       |
| Less endowment investments (enter as negative number)    | -                  | (32,217,518)            | (32,217,518)            |
| <b>Total investments, net of endowments</b>              | <u><b>\$ -</b></u> | <u><b>1,550,033</b></u> | <u><b>1,550,033</b></u> |

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 2.2 Fair value hierarchy in investments:

| Investment Type  | Total                | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Net Asset Value (NAV) |
|--|----------------------|--|---|---|-----------------------|
| Money market funds                                       | \$ -                 | -  | -   | -   | -                     |
| Repurchase agreements                                    | -                    | -  | -   | -   | -                     |
| Certificates of deposit                                  | -                    | -  | -   | -   | -                     |
| U.S. agency securities                                   | 5,932,096            | -  | 5,932,096                                     | -   | -                     |
| U.S. treasury securities                                 | 393,702              | -  | 393,702                                       | -   | -                     |
| Municipal bonds  | -                    | -  | -   | -   | -                     |
| Corporate bonds  | 1,526,373            | -  | 1,526,373                                     | -   | -                     |
| Asset backed securities                                  | -                    | -  | -   | -   | -                     |
| Mortgage backed securities                               | -                    | -  | -   | -   | -                     |
| Commercial paper   | -                    | -  | -   | -   | -                     |
| Mutual funds   | 20,006,126           | 20,006,126   | -   | -   | -                     |
| Exchange traded funds                                    | -                    | -  | -   | -   | -                     |
| Equity securities  | -                    | -  | -   | -   | -                     |
| Alternative investments:                                 |                      |  |   |   |                       |
| Private equity (including limited partnerships)          | 1,413,830            | -  | -   | -   | 1,413,830             |
| Hedge funds  | 3,281,325            | -  | -   | -   | 3,281,325             |
| Managed futures  | -                    | -  | -   | -   | -                     |
| Real estate investments (including REITs)                | 1,214,099            | -  | -   | -   | 1,214,099             |
| 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                                  | -                    | -  | -   | -   | -                     |
| <b>Total investments</b>                                 | <b>\$ 33,767,551</b> | <b>20,006,126</b>  | <b>7,852,171</b>                              | <b>-</b>                                  | <b>5,909,254</b>      |

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

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

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 3.1 Composition of capital assets:

|   | Balance<br>June 30, 2021 | Reclassifications | Prior Period Additions | Prior Period Retirements | Balance<br>June 30, 2021<br>(Restated) | Additions | Retirements        | Transfer of completed<br>CWIP/PWIP | Balance<br>June 30, 2022 |
|---|--------------------------|-------------------|------------------------|--------------------------|--|-----------|--------------------|------------------------------------|--------------------------|
| <b>Non-depreciable/Non-amortizable capital assets:</b>      |                          |                   |                        |                          |  |           |                    |                                    |                          |
| Land and land improvements                                  | \$ 3,139                 | -                 | -                      | -                        | \$ 3,139                               | -         | -                  | -                                  | \$ 3,139                 |
| Works of art and historical treasures                       | 76,170                   | -                 | -                      | -                        | 76,170                                 | -         | -                  | -                                  | 76,170                   |
| 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                   |
| <b>Total intangible assets</b>                              | <b>15,500</b>            | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>15,500</b>                          | <b>-</b>  | <b>-</b>           | <b>-</b>                           | <b>15,500</b>            |
| <b>Total non-depreciable/non-amortizable capital assets</b> | <b>\$ 94,809</b>         | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>\$ 94,809</b>                       | <b>-</b>  | <b>-</b>           | <b>-</b>                           | <b>\$ 94,809</b>         |
| <b>Depreciable/Amortizable capital assets:</b>              |                          |                   |                        |                          |  |           |                    |                                    |                          |
| Buildings and building improvements                         | 1,356,171                | -                 | -                      | -                        | 1,356,171                              | -         | (1,344,044)        | -                                  | 12,127                   |
| Improvements, other than buildings                          | 72,963                   | -                 | -                      | -                        | 72,963                                 | -         | -                  | -                                  | 72,963                   |
| Infrastructure  | -                        | -                 | -                      | -                        | -                                      | -         | -                  | -                                  | -                        |
| Leasehold improvements                                      | 232,323                  | -                 | -                      | -                        | 232,323                                | -         | -                  | -                                  | 232,323                  |
| Personal property:  |                          |                   |                        |                          |  |           |                    |                                    |                          |
| Equipment   | 1,571,775                | -                 | -                      | -                        | 1,571,775                              | -         | -                  | -                                  | 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:                                    |                          |                   |                        |                          |  |           |                    |                                    |                          |
| Exhaustible art   | 129,093                  | -                 | -                      | -                        | 129,093                                | -         | -                  | -                                  | 129,093                  |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -                  | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -                  | -                                  | -                        |
|   | -                        | -                 | -                      | -                        | -                                      | -         | -                  | -                                  | -                        |
| Total Other intangible assets:                              | 129,093                  | -                 | -                      | -                        | 129,093                                | -         | -                  | -                                  | 129,093                  |
| <b>Total intangible assets</b>                              | <b>129,093</b>           | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>129,093</b>                         | <b>-</b>  | <b>-</b>           | <b>-</b>                           | <b>129,093</b>           |
| <b>Total depreciable/amortizable capital assets</b>         | <b>3,362,325</b>         | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>3,362,325</b>                       | <b>-</b>  | <b>(1,344,044)</b> | <b>-</b>                           | <b>2,018,281</b>         |
| <b>Total capital assets</b>                                 | <b>\$ 3,457,134</b>      | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>\$ 3,457,134</b>                    | <b>-</b>  | <b>(1,344,044)</b> | <b>-</b>                           | <b>\$ 2,113,090</b>      |

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Other Information

June 30, 2022

(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                     | (688,334)          | -        | -        | -        | (688,334)          | (26,615)        | 702,822          | -        | (12,127)           |
| Improvements, other than buildings                      | (44,538)           | -        | -        | -        | (44,538)           | (3,648)         | -                | -        | (48,186)           |
| Infrastructure  | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
| Leasehold improvements                                  | (232,323)          | -        | -        | -        | (232,323)          | -               | -                | -        | (232,323)          |
| Personal property:                                      |                    |          |          |          |                    |                 |                  |          |                    |
| Equipment   | (1,554,790)        | -        | -        | -        | (1,554,790)        | (3,104)         | -                | -        | (1,557,894)        |
| Library books and materials                             | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
| Intangible assets:                                      |                    |          |          |          |                    |                 |                  |          |                    |
| Software and websites                                   | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
| Rights and easements                                    | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
| Patents, copyrights and trademarks                      | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
| Licenses and permits                                    | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
| Other intangible assets:                                |                    |          |          |          |                    |                 |                  |          |                    |
| Exhaustible art   | (129,093)          | -        | -        | -        | (129,093)          | -               | -                | -        | (129,093)          |
|   | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
|   | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
|   | -                  | -        | -        | -        | -                  | -               | -                | -        | -                  |
| Total Other intangible assets:                          | (129,093)          | -        | -        | -        | (129,093)          | -               | -                | -        | (129,093)          |
| <b>Total intangible assets</b>                          | <b>(129,093)</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>(129,093)</b>   | <b>-</b>        | <b>-</b>         | <b>-</b> | <b>(129,093)</b>   |
| <b>Total accumulated depreciation/amortization</b>      | <b>(2,649,078)</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(2,649,078)</b> | <b>(33,367)</b> | <b>702,822</b>   | <b>-</b> | <b>(1,979,623)</b> |
| <b>Total capital assets, net excluding lease assets</b> | <b>\$ 808,056</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>\$ 808,056</b>  | <b>(33,367)</b> | <b>(641,222)</b> | <b>-</b> | <b>133,467</b>     |

Lease assets, net

Total capital assets, net

-  
\$ 133,467

Composition of lease assets:

|   | Balance<br>June 30, 2021 | Additions | Remeasurements | Reductions | Balance<br>June 30, 2022 |
|---|--------------------------|-----------|----------------|------------|--------------------------|
| <b>Non-depreciable/Non-amortizable lease assets:</b>  |                          |           |                |            |                          |
| Land and land improvements  | \$ -                     | -         | -              | -          | \$ -                     |
| <b>Total non-depreciable/non-amortizable lease assets</b>   | <b>\$ -</b>              | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>\$ -</b>              |
| <b>Depreciable/Amortizable lease assets:</b>  |                          |           |                |            |                          |
| Land and land improvements  | -                        | -         | -              | -          | -                        |
| Buildings and building improvements   | -                        | -         | -              | -          | -                        |
| Improvements, other than buildings  | -                        | -         | -              | -          | -                        |
| Infrastructure  | -                        | -         | -              | -          | -                        |
| Personal property:  |                          |           |                |            |                          |
| Equipment   | -                        | -         | -              | -          | -                        |
| <b>Total depreciable/amortizable lease assets</b>   | <b>-</b>                 | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b> |                          |           |                |            |                          |
| Land and land improvements  | -                        | -         | -              | -          | -                        |
| Buildings and building improvements   | -                        | -         | -              | -          | -                        |
| Improvements, other than buildings  | -                        | -         | -              | -          | -                        |
| Infrastructure  | -                        | -         | -              | -          | -                        |
| Personal property:  |                          |           |                |            |                          |
| Equipment   | -                        | -         | -              | -          | -                        |
| <b>Total accumulated depreciation/amortization</b>  | <b>-</b>                 | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Total lease assets, net</b>  | <b>\$ -</b>              | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>\$ -</b>              |

### 3.2 Detail of depreciation and amortization expense:

|   |                  |
|---|------------------|
| Depreciation and amortization expense related to capital assets | \$ 33,367        |
| Amortization expense related to other assets                    | -                |
| <b>Total depreciation and amortization</b>                      | <b>\$ 33,367</b> |

See independent auditor's report.



# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 4 Long-term liabilities:

|   | Balance<br>June 30, 2021 | Prior Period<br>Adjustments/Reclassifications | Balance<br>June 30, 2021 (Restated) | Additions | Reductions | Balance<br>June 30, 2022 | Current Portion | Noncurrent Portion |
|---|--------------------------|---|-------------------------------------|-----------|------------|--------------------------|-----------------|--------------------|
| 1. Accrued compensated absences                             | \$ -                     | -   | \$ -                                | -         | -          | \$ -                     | -               | \$ -               |
| 2. Claims liability for losses and loss adjustment expenses | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>3. Capital lease obligations:</b>                        |                          |   |                                     |           |            |                          |                 |                    |
| Gross balance   | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| Unamortized net premium/(discount)                          | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>Total capital lease obligations</b>                      | <b>\$ -</b>              | <b>-</b>                                      | <b>\$ -</b>                         | <b>-</b>  | <b>-</b>   | <b>\$ -</b>              | <b>-</b>        | <b>\$ -</b>        |
| <b>4. Long-term debt obligations:</b>                       |                          |   |                                     |           |            |                          |                 |                    |
| 4.1 Auxiliary revenue bonds (non-SRB related)               | \$ -                     | -   | \$ -                                | -         | -          | \$ -                     | -               | -                  |
| 4.2 Commercial paper  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| 4.3 Notes payable (SRB related)                             | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| 4.4 Others:   | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| Total others  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>Sub-total long-term debt</b>                             | <b>\$ -</b>              | <b>-</b>                                      | <b>\$ -</b>                         | <b>-</b>  | <b>-</b>   | <b>\$ -</b>              | <b>-</b>        | <b>\$ -</b>        |
| 4.5 Unamortized net bond premium/(discount)                 | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>Total long-term debt obligations</b>                     | <b>\$ -</b>              | <b>-</b>                                      | <b>\$ -</b>                         | <b>-</b>  | <b>-</b>   | <b>\$ -</b>              | <b>-</b>        | <b>\$ -</b>        |

### 5. Lease Liabilities

|                                    | Balance     | Additions | Remeasurements | Reductions | Balance     | Current Portion | Noncurrent Portion |
|------------------------------------|-------------|-----------|----------------|------------|-------------|-----------------|--------------------|
| <b>Total long-term liabilities</b> |             |           |                |            |             |                 |                    |
| <b>Lease liabilities</b>           |             |           |                |            |             |                 |                    |
| <b>Total</b>                       | <b>\$ -</b> | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>\$ -</b> | <b>\$ -</b>     | <b>-</b>           |

### 5 Lease Liabilities schedule:

|   | Lease Liabilities related to SRB |               |                        | All other lease liabilities |               |                        | Total lease liabilities |               |                        |
|---|----------------------------------|---------------|------------------------|-----------------------------|---------------|------------------------|-------------------------|---------------|------------------------|
|   | Principal Only                   | Interest Only | Principal and Interest | Principal Only              | Interest Only | Principal and Interest | Principal Only          | Interest Only | Principal and Interest |
| <b>Year ending June 30:</b>                           |                                  |               |                        |                             |               |                        |                         |               |                        |
| 2023  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2024  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2025  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2026  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2027  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2028 - 2032   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2033 - 2037   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2038 - 2042   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2043 - 2047   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2048 - 2052   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| Thereafter  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| <b>Total minimum lease payments</b>                   | <b>\$ -</b>                      | <b>-</b>      | <b>-</b>               | <b>-</b>                    | <b>-</b>      | <b>-</b>               | <b>-</b>                | <b>-</b>      | <b>-</b>               |
| Less: amounts representing interest                   |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Present value of future minimum lease payments</b> |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Total lease liabilities</b>                        |                                  |               |                        |                             |               |                        |                         |               |                        |
| Less: current portion                                 |                                  |               |                        |                             |               |                        |                         |               |                        |
| <b>Lease liabilities, net of current portion</b>      |                                  |               |                        |                             |               |                        |                         |               |                        |

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Other Information

June 30, 2022

(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 |
| <b>Year ending June 30:</b>                               |   |          |                        |                                      |          |                        |                                  |          |                        |
| 2023  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2024  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2025  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2026  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2027  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2028 - 2032   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2033 - 2037   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2038 - 2042   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2043 - 2047   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2048 - 2052   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| Thereafter  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| <b>Total minimum payments</b>                             | \$ -                                      | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| Less: amounts representing interest                       |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Present value of future minimum payments</b>           |   |          |                        |                                      |          |                        |                                  |          | -                      |
| Unamortized net premium/(discount)                        |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Total long-term debt obligations</b>                   |   |          |                        |                                      |          |                        |                                  |          | -                      |
| Less: current portion                                     |   |          |                        |                                      |          |                        |                                  |          | -                      |
| <b>Long-term debt obligations, net of current portion</b> |   |          |                        |                                      |          |                        |                                  |          | -                      |

### 7 Transactions with related entities:

|  |             |
|--|-------------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | 503,256     |
| Payments to University for other than salaries of University personnel                                       | 6,494,121   |
| Payments received from University for services, space, and programs  | 663,284     |
| 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)  | (1,192,554) |
| Other amounts (payable to) University (enter as negative number)   | -           |
| Accounts receivable from University (enter as positive number)   | 80,708      |
| Other amounts receivable from University (enter as positive number)  | -           |

### 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 | During the year ended June 30, 2022, CSUB Foundation determined that net asset classifications for some funds were not properly classified in prior years. Net assets as of the beginning of the fiscal year have been adjusted to the proper net asset classifications. The correction has no effect on the results of the current year's activities, however, the cumulative effect decreased unrestricted net assets by \$7,579,177 and increased restricted net assets by \$7,579,177. The Foundation made the following adjustment in the current year: DB Beginning Net Position Unrestricted and CR Beginning Net Position Restricted. |                |
|                | Restricted nonexpendable: Endowments  | (1,256,383)    |
|                | Restricted expendable: Scholarships and fellowships   | 2,875,099      |
|                | Restricted expendable: Others   | (9,197,893)    |
|                | Unrestricted  | 7,579,177      |
|                |   | -              |
| Restatement #2 | Enter transaction description   |                |

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

## Other Information

June 30, 2022

(for inclusion in the California State University)

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                   | 516,664           | 132,917          | -                  | 7,973           | -                            | 6,804,093                   | -                             | 7,461,647                |
| Institutional support              | 450               | 241,618          | -                  | -               | -                            | 3,838,482                   | -                             | 4,080,550                |
| Operation and maintenance of plant | -                 | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Student grants and scholarships    | -                 | -                | -                  | -               | 1,604,821                    | -                           | -                             | 1,604,821                |
| Auxiliary enterprise expenses      | -                 | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Depreciation and amortization      | -                 | -                | -                  | -               | -                            | -                           | 33,367                        | 33,367                   |
| <b>Total operating expenses</b>    | <b>\$ 517,114</b> | <b>374,535</b>   | <b>-</b>           | <b>7,973</b>    | <b>1,604,821</b>             | <b>10,642,575</b>           | <b>33,367</b>                 | <b>13,180,385</b>        |

10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

|   |   |
|---|---|
| Deferred outflows - unamortized loss on refunding(s)  | - |
| Deferred outflows - net pension liability             | - |
| Deferred outflows - net OPEB liability                | - |
| Deferred outflows - leases                            | - |
| Deferred outflows - 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 | - |
| Inevocable split-interest agreements                  | - |

Total deferred outflows - others

-

**Total deferred outflows of resources**

**\$ -**

2. Deferred Inflows of Resources

|  |   |
|--|---|
| Deferred inflows - service concession arrangements       | - |
| Deferred inflows - net pension liability                 | - |
| Deferred inflows - net OPEB liability                    | - |
| Deferred inflows - unamortized gain on debt refunding(s) | - |
| Deferred inflows - nonexchange transactions              | - |
| Deferred inflows - leases                                | - |
| 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    | - |
| Inevocable split-interest agreements                     | - |

Total deferred inflows - others

-

**Total deferred inflows of resources**

**\$ -**

11 Other nonoperating revenues (expenses)

|   |                     |
|---|---------------------|
| Other nonoperating revenues                         | -                   |
| Other nonoperating (expenses)                       | (206,127)           |
| <b>Total other nonoperating revenues (expenses)</b> | <b>\$ (206,127)</b> |

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

To the Audit Committee  
California State University, Bakersfield Foundation

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 Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield Foundation'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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

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

**Purpose of this Report**

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

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 21, 2022

# California State University, Bakersfield Student-Centered Enterprises, Inc.

Financial Statements with Supplemental Information

Year Ended June 30, 2022



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

## Financial Statements with Supplemental Information

Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinion***

We have audited the accompanying financial statements of California State University, Bakersfield Student-centered Enterprises, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Bakersfield Student-centered Enterprises, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Correction of Errors***

As discussed in Note 10 to the financial statements, errors related to housing operations transferred in a prior period resulting in an understatement of net assets without donor restrictions as of June 30, 2021 were discovered during the current year. Also, errors related to property and equipment resulting in an overstatement of net assets without donor restrictions as of June 30, 2021 were discovered during the current year. Accordingly, the amount reported for net assets without donor restrictions has been restated as of June 30, 2021 to correct the errors. Our opinion is not modified with respect to these matters.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## INDEPENDENT AUDITOR'S REPORT, CONTINUED

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

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Bakersfield Student-centered Enterprises, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 14-24 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 supplemental 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 22, 2022, on our consideration of California State University, Bakersfield Student-centered Enterprises, Inc.'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 22, 2022

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

**Statement of Financial Position**

June 30, 2022

---

**ASSETS**

Current Assets:

|                          |    |                |
|--------------------------|----|----------------|
| Cash                     | \$ | 2,931,758      |
| Accounts receivable, net |    | 732            |
| Due from related parties |    | <u>685,503</u> |

Total Current Assets 3,617,993

Property and Equipment, net of accumulated depreciation 780,842

Total Assets \$ 4,398,835

**LIABILITIES AND NET ASSETS**

Current Liabilities:

|                                       |    |                |
|---------------------------------------|----|----------------|
| Accounts payable and accrued expenses | \$ | 314,822        |
| Due to related parties                |    | <u>241,988</u> |

Total Current Liabilities 556,810

Net Assets - Without Donor Restrictions 3,842,025

Total Liabilities and Net Assets \$ 4,398,835

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.****Statement of Activities**Year Ended June 30, 2022

---

## Revenue and Support Without Donor Restrictions:

|                                       |               |
|---------------------------------------|---------------|
| University contract services (Note 7) | \$ 3,930,944  |
| Program activity fees                 | 1,200,300     |
| Associated student body fees          | 151,421       |
| Facility rental                       | 41,727        |
| Other operating revenues              | 39,933        |
| Membership fees                       | <u>19,173</u> |

Total Revenue and Support Without Donor Restrictions 5,383,498

## Expenses:

## Program services:

|  |                |
|--|----------------|
| Student Union                                    | 760,923        |
| Student Recreation Center                        | 3,035,399      |
| Student Housing and Residential Life             | 780,297        |
| Children's Center                                | 28,704         |
| Supporting services - general and administrative | <u>504,506</u> |

Total Expenses 5,109,829

Change in Net Assets 273,669

Net Assets - Without Donor Restrictions, beginning as previously stated 3,100,765

Restatements (Note 10) 467,591

Net Assets - Without Donor Restrictions, beginning as restated 3,568,356

Net Assets - Without Donor Restrictions, ending \$ 3,842,025

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

**Statement of Functional Expenses**

Year Ended June 30, 2022

|                                       | Program Services  |                                 |   |                      |                     |                   | General and<br>Administrative | Total |
|---------------------------------------|-------------------|---------------------------------|---|----------------------|---------------------|-------------------|-------------------------------|-------|
|                                       | Student<br>Union  | Student<br>Recreation<br>Center | Student<br>Housing and<br>Residential<br>Life | Children's<br>Center | Total               |                   |                               |       |
| University contract expenses (Note 7) | \$ 693,937        | \$ 2,341,506                    | \$ 579,479                                    | \$ 26,689            | \$ 3,641,611        | \$ 289,333        | \$ 3,930,944                  |       |
| Utilities                             | 25,476            | 276,439                         | 134,385                                       | -                    | 436,300             | 44,795            | 481,095                       |       |
| Supplies and contract services        | 32,960            | 209,791                         | 59,607  | -                    | 302,358             | 34,976            | 337,334                       |       |
| Depreciation                          | -                 | 152,228                         | -   | 2,015                | 154,243             | 339               | 154,582                       |       |
| Insurance                             | -                 | -                               | -   | -                    | -                   | 83,333            | 83,333                        |       |
| Information technology                | 3,829             | 25,145                          | 4,559   | -                    | 33,533              | 14,369            | 47,902                        |       |
| Accounting                            | -                 | -                               | -   | -                    | -                   | 26,600            | 26,600                        |       |
| Travel                                | 2,557             | 10,138                          | -   | -                    | 12,695              | -                 | 12,695                        |       |
| Advertising and promotion             | -                 | 10,480                          | -   | -                    | 10,480              | -                 | 10,480                        |       |
| Miscellaneous                         | -                 | 754                             | -   | -                    | 754                 | 5,448             | 6,202                         |       |
| Dues and subscriptions                | -                 | 2,973                           | -   | -                    | 2,973               | 2,180             | 5,153                         |       |
| Office expense                        | 560               | 1,363                           | 2,267   | -                    | 4,190               | -                 | 4,190                         |       |
| Conference, conventions, and meetings | -                 | 3,310                           | -   | -                    | 3,310               | 324               | 3,634                         |       |
| Repairs and maintenance               | 1,604             | 1,272                           | -   | -                    | 2,876               | -                 | 2,876                         |       |
| Bank fees                             | -                 | -                               | -   | -                    | -                   | 2,809             | 2,809                         |       |
| <b>Total expenses</b>                 | <b>\$ 760,923</b> | <b>\$ 3,035,399</b>             | <b>\$ 780,297</b>                             | <b>\$ 28,704</b>     | <b>\$ 4,605,323</b> | <b>\$ 504,506</b> | <b>\$ 5,109,829</b>           |       |

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

**Statement of Cash Flows**

Year Ended June 30, 2022

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Cash Flows from Operating Activities:

|   |    |                  |
|---|----|------------------|
| Change in net assets  | \$ | 273,669          |
| Adjustments to reconcile change in net assets<br>to net increase in cash: |    |                  |
| Depreciation  |    | 154,582          |
| Changes in operating assets and liabilities:                              |    |                  |
| Accounts receivable, net  |    | (732)            |
| Due from related parties  |    | 31,024           |
| Prepaid expenses  |    | 5,726            |
| Accounts payable and accrued expenses                                     |    | (48,834)         |
| Due to related parties  |    | <u>219,835</u>   |
| Net Increase in Cash  |    | 635,270          |
| Cash, beginning   |    | <u>2,296,488</u> |
| Cash, ending  | \$ | <u>2,931,758</u> |

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

## Notes to Financial Statements

Year Ended June 30, 2022

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### 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 operates as a non-profit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University). The Organization operates a student union facility to enhance the quality of the student experience through the development of and exposure to, campus programs, activities, and organizations in a student-centered environment; a student recreation center to allow students to achieve physical and mental well-being through a variety of programs and services; a children's center to provide on-campus daycare services to students attending California State University, Bakersfield as well as the community and staff and faculty of the University; and student housing and residential life 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.

#### New Accounting Pronouncement

In September 2020, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The purpose of ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Organization. During the year ended June 30, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*.

Management has analyzed the provisions of the FASB's ASU Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* and has included the necessary disclosure in Note 7.

#### Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which requires 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, whereby 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 year ended June 30, 2022.

#### Use of Estimates

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

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

## Notes to Financial Statements

Year Ended June 30, 2022

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### 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 U.S. 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 statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2022 and therefore, no amounts have been accrued.

#### Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

#### 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 a price concession for uncollectible amounts. For the year ended June 30, 2022, no price concession for uncollectible amounts was considered necessary.

#### 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 three to ten years.

#### Revenue Recognition

*Program Activity Fees* – The Organization receives program activity fees from the University enterprise funds to provide a variety of student-centered programs and services that enhance the quality of the student experience. Contracted amounts are determined through a budgetary process approved by the Organization's governing board and University Chief Financial Officer. Program activity fees are recognized by the Organization as program services are delivered over the academic calendar year.

*Associated Student Body Fees* – Each matriculated student of the University was required to pay associated student body fees. A designated ratio of the associated student body fees equal to \$8 per semester is to support the Children's Center, which is managed by the Organization. Associated student body fees are due and collectible following Fall, Spring and Summer census dates when enrollment is finalized. Payments are recognized by the Organization on a ratable basis over the academic semester, which is when the program services are delivered.

#### 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 a combination of fund and department. Each fund has expenses that are programmatic and general and administrative in nature.

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

## Notes to Financial Statements

Year Ended June 30, 2022

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

#### Future Accounting Standards

FASB has issued a substantial ASU, which will become effective during the year ended June 30, 2023.

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 22, 2022, which is the date the financial statements were available to be issued.

### 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.

|  |                     |
|--|---------------------|
| Cash   | \$ 2,931,758        |
| Accounts receivable, net   | 732                 |
| Due from related parties   | <u>685,503</u>      |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 3,617,993</u> |

The Organization is substantially supported by program activity fees from the University. None of the financial assets are subject to donor restriction, and therefore, all financial assets are available for general expenditure within one year. 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.



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

## Notes to Financial Statements

Year Ended June 30, 2022

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### Note 4 - Property and Equipment

Property and equipment consist of the following:

|                                    |              |
|------------------------------------|--------------|
| Equipment                          | \$ 1,175,988 |
| Improvements, other than buildings | 435,714      |
|                                    | <hr/>        |
|                                    | 1,611,702    |
| Less accumulated depreciation      | (830,860)    |
|                                    | <hr/>        |
|                                    | \$ 780,842   |
|                                    | <hr/>        |

### Note 5 - Revenue Recognition

#### Significant Judgments

The Organization analyzes revenue recognition on a portfolio approach under ASC Topic 606 *Revenue from Contracts with Customers*. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. The Organization has determined that, for each distinct revenue stream identified, all contracts can be grouped into one portfolio. Based on past experience, customers within each distinct stream all behave similarly, contracts contain similar terms, and policies are the same across all contracts. The Organization does not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if they were to assess each contract separately.

Significant judgment is also required to assess collectability. The Organization assesses collectability each reporting period to monitor that the collectability threshold is met and does not recognize revenue if collection is not probable. Impairment losses are recognized when there are significant changes in a customer's assessed collectability.

### Note 6 - Commitments

The Organization has entered into various agreements for the maintenance of programming facilities and equipment, information technology services, and programming equipment rentals under non-cancelable agreements expiring at various dates through June 2025, including one with the University.

Minimum future payments as of June 30, 2022 are due as follows:

|                         |           |
|-------------------------|-----------|
| Year Ending<br>June 30, |           |
| <hr/>                   |           |
| 2023                    | \$ 20,783 |
| 2024                    | 8,298     |
| 2025                    | 2,000     |
| Thereafter              | <hr/>     |
|                         | -         |
|                         | <hr/>     |
|                         | \$ 31,081 |
|                         | <hr/>     |

Expenses related to these commitments, including month-to-month leases, was \$105,140.

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

## Notes to Financial Statements

Year Ended June 30, 2022

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### Note 7 - University Contract Services

For the year ended June 30, 2022, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

University employee services:

|                                     |                     |
|-------------------------------------|---------------------|
| Programming services                | \$ 2,228,411        |
| General and administrative services | 289,333             |
| Rent of University facilities       | <u>1,413,200</u>    |
| Total University contract services  | <u>\$ 3,930,944</u> |

The Organization recognized contributed nonfinancial assets within revenue including contributed University employee services and rent of University facilities. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services include University employees who provide direct programming services to the Organization including planning, managing and overseeing programming events and activities. Additionally, University employees provide indirect services on behalf of the Organization including; accounting services, human resource services, facility management services, information technology services and other administrative services as appropriate. Contributed services are valued at the estimated fair value in the financial statements based on the estimated employee cost to provide programming, general and administrative services.

The Organization uses University facilities to provide programming activities. The Organization paid no rent to the University and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

### Note 8 - Related Party Transactions

The Organization receives program activity fees from the University to provide programs and services that enhance the student experience. Other payments received from the University include receipts for use of programming facilities and equipment.

The Organization has an agreement with the University to use campus facilities to conduct operations. Utility cost related to the Organization's use of those facilities are paid by the University and reimbursed by the Organization. Additionally, the University incurs supplies and other cost to support the Organization's programming activities, which are reimbursed by the Organization and included as payments to the University.

California State University, Bakersfield Foundation (Foundation) functions to benefit the student body of the University by fundraising for University programs and activities. Payments received from the Foundation include receipts for the use of the Organization's programming facilities and equipment as well as general support of the Organization's programming activities. Payments to the Foundation are for fundraising activities benefiting University programs and activities.

Associated Students, California State University, Bakersfield, Inc (Associated Students), functions to benefit the student body of the University by operating various student-led programs. Payments received from Associated Students are to support the Children's Center as well as other programming activities. Payments to Associated Students are to support student body programs and services.

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

**Notes to Financial Statements**

Year Ended June 30, 2022

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**Note 8 - Related Party Transactions, continued**

Related party transactions as of and for the year ended June 30, 2022 are as follows:

Payments received from:

|                     |    |                         |
|---------------------|----|-------------------------|
| University          | \$ | 1,202,370               |
| Foundation          |    | 5,631                   |
| Associated Students |    | <u>157,885</u>          |
|                     | \$ | <u><u>1,365,886</u></u> |

Payments to:

|                     |    |                       |
|---------------------|----|-----------------------|
| University          | \$ | 747,868               |
| Foundation          |    | 576                   |
| Associated Students |    | <u>10,000</u>         |
|                     | \$ | <u><u>758,444</u></u> |

Due from related parties:

|                     |    |                       |
|---------------------|----|-----------------------|
| University          | \$ | 677,428               |
| Foundation          |    | 1,960                 |
| Associated Students |    | <u>6,115</u>          |
|                     | \$ | <u><u>685,503</u></u> |

Due to related parties:

|            |    |                       |
|------------|----|-----------------------|
| University | \$ | 241,412               |
| Foundation |    | <u>576</u>            |
|            | \$ | <u><u>241,988</u></u> |

In addition to the related party transactions noted above, the Organization also recorded University contract services revenue and expense in the amount of \$3,930,944. See Note 7.

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

### **Notes to Financial Statements**

Year Ended June 30, 2022

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#### **Note 9 - Contingency**

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 10 - Prior Period Adjustments**

##### Housing Net Deficit Transfer

Effective July 1, 2020, the University and the Organization entered an operating agreement, whereby the operations of the Organization were defined as providing programming services that enhance the quality of the student experience. As a result of the new agreement, only programming revenues and expenses were recognized by the Organization and operations correlated to housing occupancy and maintenance of the facility were recognized by the University. Due to the change in operations, the net housing deficit correlated to activity under the former operating agreement was transferred to the University. The restatement resulted in an increase in the due from related parties balance and an increase in the beginning net assets without donor restrictions balance of \$656,195.

##### Property and Equipment Transfer

The Student Union and Student Recreation Center buildings are owned by the University. In previous years, property and equipment including facility fixtures and leasehold improvements were accounted for by the Organization. As a result of the new operating agreement, property and equipment related to the University-owned facilities and unrelated to programming services were transferred to the affiliated University enterprise funds. The net book value of the property and equipment of \$188,604 as of July 1, 2021, is presented as a decrease to the beginning net assets without donor restrictions balance.

The net effect of these adjustments was to increase net assets without donor restriction by \$467,591.

## SUPPLEMENTAL INFORMATION

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

**Schedule of Activities by Enterprise**

Year Ended June 30, 2022

|  | Student<br>Union    | Student<br>Recreation<br>Center | Student<br>Housing and<br>Residential Life | Children's<br>Center | Total               |
|--|---------------------|---------------------------------|--|----------------------|---------------------|
| Unrestricted Revenue and Other Support:                          |                     |                                 |  |                      |                     |
| University contract services (Note 7)                            | \$ 803,431          | \$ 2,422,885                    | \$ 677,939                                 | \$ 26,689            | \$ 3,930,944        |
| Program activity fees  | 186,600             | 731,000                         | 282,700                                    | -                    | 1,200,300           |
| Associated student body fees                                     | -                   | -                               | -  | 151,421              | 151,421             |
| Facility rental  | 4,755               | 36,972                          | -  | -                    | 41,727              |
| Other operating revenues   | 317                 | 19,935                          | 19,681                                     | -                    | 39,933              |
| Membership fees  | -                   | 19,173                          | -  | -                    | 19,173              |
| <b>Total Revenue and Support<br/>Without Donor Restrictions</b>  | <b>995,103</b>      | <b>3,229,965</b>                | <b>980,320</b>                             | <b>178,110</b>       | <b>5,383,498</b>    |
| Expenses:  |                     |                                 |  |                      |                     |
| Program services   | 760,923             | 3,035,399                       | 780,297                                    | 28,704               | 4,605,323           |
| Supporting services - general and administrative                 | 161,427             | 129,891                         | 206,711                                    | 6,477                | 504,506             |
| <b>Total Expenses</b>  | <b>922,350</b>      | <b>3,165,290</b>                | <b>987,008</b>                             | <b>35,181</b>        | <b>5,109,829</b>    |
| <b>Change in Net Assets</b>                                      | <b>72,753</b>       | <b>64,675</b>                   | <b>(6,688)</b>                             | <b>142,929</b>       | <b>273,669</b>      |
| Net Assets (Deficit) - Without Donor Restrictions, beginning     | 1,396,677           | 2,410,129                       | (782,783)                                  | 76,742               | 3,100,765           |
| Restatements (Note 10)   | -                   | (188,604)                       | 656,195                                    | -                    | 467,591             |
| <b>Net Assets (Deficit) - Without Donor Restrictions, ending</b> | <b>\$ 1,469,430</b> | <b>\$ 2,286,200</b>             | <b>\$ (133,276)</b>                        | <b>\$ 219,671</b>    | <b>\$ 3,842,025</b> |

See independent auditor's report.

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

June 30, 2022

(for inclusion in the California State University)

**Assets:****Current assets:**

|   |                  |
|---|------------------|
| Cash and cash equivalents                 | 2,931,758        |
| Short-term investments                    | -                |
| Accounts receivable, net                  | 686,235          |
| Lease receivables, current portion        | -                |
| Notes receivable, current portion         | -                |
| Pledges receivable, net                   | -                |
| Prepaid expenses and other current assets | -                |
| <b>Total current assets</b>               | <b>3,617,993</b> |

**Noncurrent assets:**

|   |                  |
|---|------------------|
| Restricted cash and cash equivalents      | -                |
| Accounts receivable, net                  | -                |
| Lease receivables, 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                       | 780,842          |
| Other assets                              | -                |
| <b>Total noncurrent assets</b>            | <b>780,842</b>   |
| <b>Total assets</b>                       | <b>4,398,835</b> |

**Deferred outflows of resources:**

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

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

June 30, 2022

(for inclusion in the California State University)

**Liabilities:****Current liabilities:**

|   |         |
|---|---------|
| Accounts payable  | 314,822 |
| Accrued salaries and benefits   | -       |
| Accrued compensated absences, current portion                             | -       |
| Unearned revenues   | -       |
| Lease liabilities, current portion  | -       |
| Long-term debt obligations, current portion                               | -       |
| Claims liability for losses and loss adjustment expenses, current portion | -       |
| Depository accounts   | -       |
| Other liabilities   | 241,988 |

**Total current liabilities**556,810**Noncurrent liabilities:**

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

**Total noncurrent liabilities**-**Total liabilities**556,810**Deferred inflows of resources:**

|                                    |   |
|------------------------------------|---|
| Service concession arrangements    | - |
| Net pension liability              | - |
| Net OPEB liability                 | - |
| Unamortized gain on debt refunding | - |
| Nonexchange transactions           | - |
| Lease                              | - |
| Others                             | - |

**Total deferred inflows of resources**-**Net position:**

|                                  |           |
|----------------------------------|-----------|
| Net investment in capital assets | 780,842   |
| Restricted for:                  |           |
| Nonexpendable – endowments       | -         |
| Expendable:                      |           |
| Scholarships and fellowships     | -         |
| Research                         | -         |
| Loans                            | -         |
| Capital projects                 | -         |
| Debt service                     | -         |
| Others                           | -         |
| Unrestricted                     | 3,061,183 |

**Total net position**3,842,025



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

Year Ended June 30, 2022

(for inclusion in the California State University)

**Revenues:****Operating revenues:**

|  |                  |
|--|------------------|
| Student tuition and fees, gross                    | -                |
| Scholarship allowances (enter as negative)         | -                |
| <b>Grants and contracts, noncapital:</b>           |                  |
| 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                           | 5,383,498        |
| <b>Total operating revenues</b>                    | <b>5,383,498</b> |

**Expenses:****Operating expenses:**

|                                    |                  |
|------------------------------------|------------------|
| Instruction                        | -                |
| Research                           | -                |
| Public service                     | -                |
| Academic support                   | -                |
| Student services                   | 3,935,073        |
| Institutional support              | -                |
| Operation and maintenance of plant | -                |
| Student grants and scholarships    | -                |
| Auxiliary enterprise expenses      | 1,020,174        |
| Depreciation and amortization      | 154,582          |
| <b>Total operating expenses</b>    | <b>5,109,829</b> |
| <b>Operating income (loss)</b>     | <b>273,669</b>   |

**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)                     | -              |
| <b>Net nonoperating revenues (expenses)</b>                | <b>-</b>       |
| <b>Income (loss) before other revenues (expenses)</b>      | <b>273,669</b> |

|  |                |
|--|----------------|
| State appropriations, capital                  | -              |
| Grants and gifts, capital                      | -              |
| Additions (reductions) to permanent endowments | -              |
| <b>Increase (decrease) in net position</b>     | <b>273,669</b> |

**Net position:**

|   |                  |
|---|------------------|
| Net position at beginning of year, as previously reported | 3,100,765        |
| Restatements  | 467,591          |
| <b>Net position at beginning of year, as restated</b>     | <b>3,568,356</b> |
| <b>Net position at end of year</b>                        | <b>3,842,025</b> |

See independent auditor's report.





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

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 3.1 Composition of capital assets:

|   | Balance<br>June 30, 2021 | Reclassifications | Prior Period Additions | Prior Period Retirements | Balance<br>June 30, 2021<br>(Restated) | Additions | Retirements | Transfer of completed<br>CWIP/PWIP | Balance<br>June 30, 2022 |
|---|--------------------------|-------------------|------------------------|--------------------------|--|-----------|-------------|------------------------------------|--------------------------|
| <b>Non-depreciable/Non-amortizable capital assets:</b>      |                          |                   |                        |                          |  |           |             |                                    |                          |
| 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                               | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total intangible assets</b>                              | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total non-depreciable/non-amortizable capital assets</b> | \$ -                     | -                 | -                      | -                        | \$ -                                   | -         | -           | -                                  | \$ -                     |
| <b>Depreciable/Amortizable capital assets:</b>              |                          |                   |                        |                          |  |           |             |                                    |                          |
| Buildings and building improvements                         | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Improvements, other than buildings                          | 418,870                  | -                 | -                      | (39,510)                 | 379,360                                | -         | -           | -                                  | 379,360                  |
| Infrastructure  | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Leasehold improvements                                      | 603,370                  | -                 | -                      | (547,016)                | 56,354                                 | -         | -           | -                                  | 56,354                   |
| Personal property:  |                          |                   |                        |                          |  |           |             |                                    |                          |
| Equipment   | 1,760,519                | -                 | -                      | (584,531)                | 1,175,988                              | -         | -           | -                                  | 1,175,988                |
| Library books and materials                                 | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Intangible assets:  |                          |                   |                        |                          |  |           |             |                                    |                          |
| Software and websites                                       | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Rights and easements  | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Patents, copyrights and trademarks                          | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Licenses and permits  | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Other intangible assets:                                    |                          |                   |                        |                          |  |           |             |                                    |                          |
| -   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| -   | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| Total Other intangible assets:                              | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total intangible assets</b>                              | -                        | -                 | -                      | -                        | -                                      | -         | -           | -                                  | -                        |
| <b>Total depreciable/amortizable capital assets</b>         | 2,782,759                | -                 | -                      | (1,171,057)              | 1,611,702                              | -         | -           | -                                  | 1,611,702                |
| <b>Total capital assets</b>                                 | \$ 2,782,759             | -                 | -                      | (1,171,057)              | \$ 1,611,702                           | -         | -           | -                                  | \$ 1,611,702             |

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

## Other Information

June 30, 2022

(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                      | (290,214)           | - | - | 19,920.00        | (270,294)         | (37,936)         | - | (308,230)        |
| Infrastructure  | -                   | - | - | -                | -                 | -                | - | -                |
| Leasehold improvements                                  | (419,580)           | - | - | 395,558.00       | (24,022)          | (5,580)          | - | (29,602)         |
| Personal property:                                      |                     |   |   |                  |                   |                  |   |                  |
| Equipment   | (948,937)           | - | - | 566,975.00       | (381,962)         | (111,066)        | - | (493,028)        |
| Library books and materials                             | -                   | - | - | -                | -                 | -                | - | -                |
| Intangible assets:                                      |                     |   |   |                  |                   |                  |   |                  |
| Software and websites                                   | -                   | - | - | -                | -                 | -                | - | -                |
| Rights and easements                                    | -                   | - | - | -                | -                 | -                | - | -                |
| Patents, copyrights and trademarks                      | -                   | - | - | -                | -                 | -                | - | -                |
| Licenses and permits                                    | -                   | - | - | -                | -                 | -                | - | -                |
| Other intangible assets:                                | -                   | - | - | -                | -                 | -                | - | -                |
| Total Other intangible assets:                          | -                   | - | - | -                | -                 | -                | - | -                |
| <b>Total intangible assets</b>                          | -                   | - | - | -                | -                 | -                | - | -                |
| <b>Total accumulated depreciation/amortization</b>      | <b>(1,658,731)</b>  | - | - | <b>982,453</b>   | <b>(676,278)</b>  | <b>(154,582)</b> | - | <b>(830,860)</b> |
| <b>Total capital assets, net excluding lease assets</b> | <b>\$ 1,124,028</b> | - | - | <b>(188,604)</b> | <b>\$ 935,424</b> | <b>(154,582)</b> | - | <b>780,842</b>   |

Lease assets, net

Total capital assets, net

-  
780,842

Composition of lease assets:

|   | Balance<br>June 30, 2021 | Additions | Remeasurements | Reductions | Balance<br>June 30, 2022 |
|---|--------------------------|-----------|----------------|------------|--------------------------|
| <b>Non-depreciable/Non-amortizable lease assets:</b>  |                          |           |                |            |                          |
| Land and land improvements  | \$ -                     | -         | -              | -          | \$ -                     |
| <b>Total non-depreciable/non-amortizable lease assets</b>   | <b>-</b>                 | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Depreciable/Amortizable lease assets:</b>  |                          |           |                |            |                          |
| Land and land improvements  | -                        | -         | -              | -          | -                        |
| Buildings and building improvements   | -                        | -         | -              | -          | -                        |
| Improvements, other than buildings  | -                        | -         | -              | -          | -                        |
| Infrastructure  | -                        | -         | -              | -          | -                        |
| Personal property:  |                          |           |                |            |                          |
| Equipment   | -                        | -         | -              | -          | -                        |
| <b>Total depreciable/amortizable lease assets</b>   | <b>-</b>                 | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b> |                          |           |                |            |                          |
| Land and land improvements  | -                        | -         | -              | -          | -                        |
| Buildings and building improvements   | -                        | -         | -              | -          | -                        |
| Improvements, other than buildings  | -                        | -         | -              | -          | -                        |
| Infrastructure  | -                        | -         | -              | -          | -                        |
| Personal property:  |                          |           |                |            |                          |
| Equipment   | -                        | -         | -              | -          | -                        |
| <b>Total accumulated depreciation/amortization</b>  | <b>-</b>                 | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Total lease assets, net</b>  | <b>\$ -</b>              | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>\$ -</b>              |
| <b>3.2 Detail of depreciation and amortization expense:</b>   |                          |           |                |            |                          |
| Depreciation and amortization expense related to capital assets   | \$ 154,582               |           |                |            |                          |
| Amortization expense related to other assets  | -                        |           |                |            |                          |
| <b>Total depreciation and amortization</b>  | <b>\$ 154,582</b>        |           |                |            |                          |

See independent auditor's report.

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

## Other Information

June 30, 2022

(for inclusion in the California State University)

### 4 Long-term liabilities:

|  | Balance<br>June 30, 2021 | Prior Period<br>Adjustments/Reclassifications | Balance<br>June 30, 2021 (Restated) | Additions | Reductions | Balance<br>June 30, 2022 | Current Portion | Noncurrent Portion |
|--|--------------------------|---|-------------------------------------|-----------|------------|--------------------------|-----------------|--------------------|
| <b>1. Accrued compensated absences</b>                             | \$ -                     | -   | \$ -                                | -         | -          | \$ -                     | -               | -                  |
| <b>2. Claims liability for losses and loss adjustment expenses</b> | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>3. Capital lease obligations:</b>                               |                          |   |                                     |           |            |                          |                 |                    |
| Gross balance  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| Unamortized net premium/(discount)                                 | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>Total capital lease obligations</b>                             | \$ -                     | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>4. Long-term debt obligations:</b>                              |                          |   |                                     |           |            |                          |                 |                    |
| 4.1 Auxiliary revenue bonds (non-SRB related)                      | \$ -                     | -   | -                                   | -         | -          | \$ -                     | -               | -                  |
| 4.2 Commercial paper   | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| 4.3 Notes payable (SRB related)                                    | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| 4.4 Others:  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
|  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
|  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
|  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
|  | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| Total others   | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>Sub-total long-term debt</b>                                    | \$ -                     | -   | -                                   | -         | -          | \$ -                     | -               | -                  |
| 4.5 Unamortized net bond premium/(discount)                        | -                        | -   | -                                   | -         | -          | -                        | -               | -                  |
| <b>Total long-term debt obligations</b>                            | \$ -                     | -   | -                                   | -         | -          | \$ -                     | -               | -                  |
| <b>5. Lease Liabilities</b>  |                          |   |                                     |           |            |                          | -               | -                  |
| <b>Total long-term liabilities</b>                                 |                          |   |                                     |           |            |                          | -               | -                  |
| <b>Lease liabilities</b>   |                          |   |                                     |           |            |                          |                 |                    |
| <b>Total</b>   | \$ -                     | -   | -                                   | -         | -          | \$ -                     | -               | -                  |

### 5 Lease Liabilities schedule:

|   | Lease Liabilities related to SRB |               |                        | All other lease liabilities |               |                        | Total lease liabilities |               |                        |
|---|----------------------------------|---------------|------------------------|-----------------------------|---------------|------------------------|-------------------------|---------------|------------------------|
|   | Principal Only                   | Interest Only | Principal and Interest | Principal Only              | Interest Only | Principal and Interest | Principal Only          | Interest Only | Principal and Interest |
| <b>Year ending June 30:</b>                           |                                  |               |                        |                             |               |                        |                         |               |                        |
| 2023  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2024  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2025  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2026  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2027  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2028 - 2032   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2033 - 2037   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2038 - 2042   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2043 - 2047   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| 2048 - 2052   | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| Thereafter  | -                                | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| <b>Total minimum lease payments</b>                   | \$ -                             | -             | -                      | -                           | -             | -                      | -                       | -             | -                      |
| Less: amounts representing interest                   |                                  |               |                        |                             |               |                        |                         |               | -                      |
| <b>Present value of future minimum lease payments</b> |                                  |               |                        |                             |               |                        |                         |               | -                      |
| <b>Total lease liabilities</b>                        |                                  |               |                        |                             |               |                        |                         |               | -                      |
| Less: current portion                                 |                                  |               |                        |                             |               |                        |                         |               | -                      |
| <b>Lease liabilities, net of current portion</b>      |                                  |               |                        |                             |               |                        |                         |               | \$ -                   |

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

## Other Information

June 30, 2022

(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 |
| <b>Year ending June 30:</b>                               |   |          |                        |                                      |          |                        |                                  |          |                        |
| 2023  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2024  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2025  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2026  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2027  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2028 - 2032   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2033 - 2037   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2038 - 2042   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2043 - 2047   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| 2048 - 2052   | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| Thereafter  | -   | -        | -                      | -                                    | -        | -                      | -                                | -        | -                      |
| <b>Total minimum payments</b>                             | <b>\$ -</b>                               | <b>-</b> | <b>-</b>               | <b>-</b>                             | <b>-</b> | <b>-</b>               | <b>-</b>                         | <b>-</b> | <b>-</b>               |
| Less: amounts representing interest                       |   |          |                        |                                      |          |                        |                                  |          |                        |
| <b>Present value of future minimum payments</b>           |   |          |                        |                                      |          |                        |                                  |          |                        |
| Unamortized net premium/(discount)                        |   |          |                        |                                      |          |                        |                                  |          |                        |
| <b>Total long-term debt obligations</b>                   |   |          |                        |                                      |          |                        |                                  |          |                        |
| Less: current portion                                     |   |          |                        |                                      |          |                        |                                  |          |                        |
| <b>Long-term debt obligations, net of current portion</b> |   |          |                        |                                      |          |                        |                                  |          |                        |

### 7 Transactions with related entities:

|  |           |
|--|-----------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | -         |
| Payments to University for other than salaries of University personnel                                       | 747,868   |
| Payments received from University for services, space, and programs  | 1,202,370 |
| 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)  | (241,412) |
| Other amounts (payable to) University (enter as negative number)   | -         |
| Accounts receivable from University (enter as positive number)   | 677,428   |
| Other amounts receivable from University (enter as positive number)  | -         |

### 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 | Transfer non-auxiliary Housing operations from Auxiliary to Stateside |                |
|                | Accounts receivable, net  | 656,195        |
|                | Unrestricted  | (656,195)      |
|                |   | -              |
| Restatement #2 | Transfer Stateside PP&E from Auxiliary to Stateside Funds             |                |
|                | Net investment in capital assets                                      | 188,604        |
|                | Capital assets, net   | (188,604)      |
|                |   | -              |





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

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

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 Student-centered Enterprises, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield Student-centered Enterprises, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield Student-centered Enterprises, Inc.'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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 22, 2022