



Chapter 8

UNIVERSITY AUXILIARY ORGANIZATION AUDITED FINANCIAL STATEMENTS 2023-2024

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

Associated Students, California State University, Bakersfield, Inc.

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2024 and 2023



ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Financial Statements and Supplemental Information

Years Ended June 30, 2024 and 2023

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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 statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, 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 Associated Students, California State University, Bakersfield, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 13-22 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 13, 2024, 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 13, 2024

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

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash	\$ 3,370,406	\$ 3,244,625
Due from related parties	<u>246,429</u>	<u>164,744</u>
 Total Assets	 <u>\$ 3,616,835</u>	 <u>\$ 3,409,369</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 44,490	\$ 43,411
Due to related parties	<u>117,978</u>	<u>50,949</u>
 Total Current Liabilities	 162,468	 94,360
 Net Assets - Without Donor Restrictions	 <u>3,454,367</u>	 <u>3,315,009</u>
 Total Liabilities and Net Assets	 <u>\$ 3,616,835</u>	 <u>\$ 3,409,369</u>

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

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue and Support Without Donor Restrictions:		
Associated student body fees	\$ 3,794,120	\$ 3,465,408
University contract services (Note 5)	552,682	617,361
Miscellaneous	<u>89,161</u>	<u>54,379</u>
Total Revenue and Support Without Donor Restrictions	4,435,963	4,137,148
Expenses:		
Program services - student services	3,868,281	3,891,876
Supporting services - general and administrative	<u>428,324</u>	<u>518,135</u>
Total Expenses	<u>4,296,605</u>	<u>4,410,011</u>
Operating Income (Loss)	139,358	(272,863)
Other Non-Operating Income (Note 8)	<u>-</u>	<u>219,092</u>
Change in Net Assets	139,358	(53,771)
Net Assets - Without Donor Restrictions, beginning	<u>3,315,009</u>	<u>3,368,780</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 3,454,367</u>	<u>\$ 3,315,009</u>

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

Year Ended June 30, 2024

	Student Services	General and Administrative	Total
Scholarships	\$ 2,781,375	\$ -	\$ 2,781,375
University contract expenses (Note 5)	181,129	371,553	552,682
Supplies	530,452	8,199	538,651
Travel	193,476	15,952	209,428
Insurance	73,710	1,406	75,116
Minor equipment	31,442	-	31,442
Space rental	22,237	5,496	27,733
Office expense	26,608	173	26,781
Accounting	-	19,500	19,500
Information technology	17,900	-	17,900
Miscellaneous	4,631	20	4,651
Conference, conventions, and meetings	4,071	-	4,071
Utilities	-	4,063	4,063
Dues and subscriptions	110	1,497	1,607
Advertising and promotion	609	465	1,074
Bank fees	406	-	406
Repairs and maintenance	125	-	125
	<u>3,868,281</u>	<u>428,324</u>	<u>4,296,605</u>
Total Expenses	\$ <u>3,868,281</u>	\$ <u>428,324</u>	\$ <u>4,296,605</u>

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

Year Ended June 30, 2023

	<u>Student Services</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 2,998,355	\$ -	\$ 2,998,355
University contract expenses (Note 5)	216,127	401,234	617,361
Supplies	499,811	36,953	536,764
Insurance	78,620	1,156	79,776
Space rental	28,178	23,790	51,968
Travel	3,878	22,304	26,182
Minor equipment	26,180	-	26,180
Office expense	21,005	1,144	22,149
Accounting	-	19,000	19,000
Information technology	17,500	-	17,500
Advertising and promotion	-	6,381	6,381
Utilities	-	3,589	3,589
Dues and subscriptions	424	1,361	1,785
Repairs and maintenance	595	628	1,223
Depreciation	839	-	839
Miscellaneous	-	595	595
Conference, conventions, and meetings	190	-	190
Bank fees	174	-	174
	<hr/>	<hr/>	<hr/>
Total Expenses	\$ <u>3,891,876</u>	\$ <u>518,135</u>	\$ <u>4,410,011</u>

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

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 139,358	\$ (53,771)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	-	839
Changes in operating assets and liabilities:		
Accounts receivable	-	1,439
Due from related parties	(81,685)	(150,920)
Prepaid expenses	-	708
Accounts payable and accrued expenses	1,079	(26,620)
Due to related parties	67,029	(169,591)
	<u>125,781</u>	<u>(397,916)</u>
Net Cash Provided (Used) by Operating Activities		
	125,781	(397,916)
Cash, beginning	<u>3,244,625</u>	<u>3,642,541</u>
Cash, ending	<u>\$ 3,370,406</u>	<u>\$ 3,244,625</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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.

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 years ended June 30, 2024 and 2023.

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, 2024 and 2023, and therefore, no amounts have been accrued.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish a price concession for uncollectible amounts. For the years ended June 30, 2024 and 2023, no price concession for uncollectible amounts was considered necessary.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

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 \$221 per Fall and Spring semester and \$132 per Summer semester for the year ended June 30, 2024, and \$210 per Fall and Spring semester and \$126 per Summer semester for the year ended June 30, 2023. 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.

Subsequent Events

The Organization has evaluated subsequent events through September 13, 2024, 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 or contractual obligations within one year of the statement of financial position date.

	<u>2024</u>	<u>2023</u>
Cash	\$ 3,370,406	\$ 3,244,625
Due from related parties	<u>246,429</u>	<u>164,744</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,616,835</u>	<u>\$ 3,409,369</u>

The Organization is substantially supported by student fees collected by the California State University, Bakersfield 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.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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.

Note 4 - 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 5 - University Contract Services

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

	<u>2024</u>	<u>2023</u>
University employee services:		
Programming services	\$ 151,829	\$ 186,827
General and administrative services	371,553	401,234
Rent of University facilities	<u>29,300</u>	<u>29,300</u>
Total University contract services	<u>\$ 552,682</u>	<u>\$ 617,361</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 and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 6 - Related Party Transactions

The Organization receives associated student body fees from the University to provide benefits to the student body of the University. Other payments received from the University includes receipts for use of operating various student-led programs.

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. Payments received from Student-centered Enterprises are to support student body programs and services. Payments to Student-centered Enterprises was for the use of the Organization's programming facilities and equipment.

Related party transactions as of and for the years ended June 30, 2024, and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Payments received from:		
University	\$ 3,794,120	\$ 3,465,408
Foundation	8,797	907
Student-centered Enterprises	<u>9,000</u>	<u>10,000</u>
	<u>\$ 3,811,917</u>	<u>\$ 3,476,315</u>
Payments to:		
University	\$ 3,381,878	\$ 3,488,402
Foundation	1,595	395
Student-centered Enterprises	<u>16,298</u>	<u>12,991</u>
	<u>\$ 3,399,771</u>	<u>\$ 3,501,788</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 6 - Related Party Transactions, continued

	<u>2024</u>	<u>2023</u>
Due from related parties:		
University	\$ 246,429	\$ 147,715
Foundation	-	17,029
	<u>\$ 246,429</u>	<u>\$ 164,744</u>
Due to related parties:		
University	\$ 115,160	\$ 45,173
Foundation	-	80
Student-centered Enterprises	2,818	5,696
	<u>\$ 117,978</u>	<u>\$ 50,949</u>

For the years ended June 30, 2024 and 2023, the Foundation reimbursed the Organization's scholarship payments of \$360,364 and \$399,152, respectively. 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.

For the years ended June 30, 2024 and 2023, the Organization also recorded University contract services revenue and expense in the amount of \$552,682 and \$617,361, respectively, as noted in Note 5.

Note 7 - 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 8 - Other Non-Operating Income

Student-centered Enterprises, a related party, previously managed a Children's Center on campus to provide daycare services to students attending California State University, Bakersfield. During the year ended June 30, 2023, programming activities previously covered under Student-centered Enterprises were discontinued. ASI children's center fees will be administered and managed by the Organization going forward. As a result of the change in Student-centered Enterprises operations, unspent funds of \$219,092 were transferred back to the Organization. This was recorded as other non-operating income for the year end June 30, 2023, on the statement of activities.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedules of Activities by Fund

Year Ended June 30, 2024

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Revenue and Support Without Donor Restrictions:								
Associated student body fees	\$ 386,782	\$ 472,741	\$ 144,864	\$ 2,706,152	\$ 18,110	\$ 65,471	\$ -	\$ 3,794,120
University contract services (Note 5)	226,218	29,428	37,628	29,428	193,352	36,628	-	552,682
Miscellaneous	-	-	-	-	-	8,000	81,161	89,161
Total Revenue and Support Without Donor Restrictions	613,000	502,169	182,492	2,735,580	211,462	110,099	81,161	4,435,963
Expenses:								
Program services - student services	330,416	531,463	4,984	2,765,872	89,280	46,688	99,578	3,868,281
Supporting services - general and administrative	152,902	31,723	38,397	42,413	125,873	37,016	-	428,324
Total Expenses	483,318	563,186	43,381	2,808,285	215,153	83,704	99,578	4,296,605
Other Non-Operating Income (Note 8)	-	-	-	-	-	-	-	-
Change in Net Assets	129,682	(61,017)	139,111	(72,705)	(3,691)	26,395	(18,417)	139,358
Net Assets - Without Donor Restrictions, beginning	1,196,572	85,167	357,984	1,218,597	159,678	218,192	78,819	3,315,009
Net Assets - Without Donor Restrictions, ending	\$ 1,326,254	\$ 24,150	\$ 497,095	\$ 1,145,892	\$ 155,987	\$ 244,587	\$ 60,402	\$ 3,454,367

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedules of Activities by Fund

Year Ended June 30, 2023

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Revenue and Support Without Donor Restrictions:								
Associated student body fees	\$ 213,676	\$ 451,820	\$ 137,959	\$ 2,590,055	\$ 10,146	\$ 61,752	\$ -	\$ 3,465,408
University contract services (Note 5)	330,367	21,459	29,259	21,459	186,558	28,259	-	617,361
Miscellaneous	-	-	-	-	-	8,000	46,379	54,379
Total Revenue and Support Without Donor Restrictions	544,043	473,279	167,218	2,611,514	196,704	98,011	46,379	4,137,148
Expenses:								
Program services - student services	316,506	378,557	290	2,991,647	85,986	24,073	94,817	3,891,876
Supporting services - general and administrative	281,444	23,674	29,998	33,983	120,410	28,626	-	518,135
Total Expenses	597,950	402,231	30,288	3,025,630	206,396	52,699	94,817	4,410,011
Other Non-Operating Income (Note 8)	-	-	219,092	-	-	-	-	219,092
Change in Net Assets	(53,907)	71,048	356,022	(414,116)	(9,692)	45,312	(48,438)	(53,771)
Net Assets - Without Donor Restrictions, beginning	1,250,479	14,119	1,962	1,632,713	169,370	172,880	127,257	3,368,780
Net Assets - Without Donor Restrictions, ending	\$ 1,196,572	\$ 85,167	\$ 357,984	\$ 1,218,597	\$ 159,678	\$ 218,192	\$ 78,819	\$ 3,315,009

See independent auditor's report.

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

June 30, 2024

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	3,370,406
Short-term investments	-
Accounts receivable, net	246,429
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-
Total current assets	3,616,835

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-
Total noncurrent assets	-
Total assets	3,616,835

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	-

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

June 30, 2024

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	44,490
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	117,978
Total current liabilities	<u>162,468</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
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	<u>-</u>
Total liabilities	<u>162,468</u>

Deferred inflows of resources:

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

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Net Position, continued

June 30, 2024

(for inclusion in the California State University)

Net position:

Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	<u>3,454,367</u>
Total net position	<u><u>3,454,367</u></u>

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

Year Ended June 30, 2024

(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 4,435,963**Total operating revenues** 4,435,963**Expenses:**

Operating expenses:

Instruction -

Research -

Public service -

Academic support -

Student services 1,515,230

Institutional support -

Operation and maintenance of plant -

Student grants and scholarships 2,781,375

Auxiliary enterprise expenses -

Depreciation and amortization -Total operating expenses 4,296,605**Operating income (loss)** 139,358

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

Year Ended June 30, 2024

(for inclusion in the California State University)

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)	<u>-</u>
Income (loss) before other revenues (expenses)	139,358
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>139,358</u>
Net position:	
Net position at beginning of year, as previously reported	3,315,009
Restatements	-
Net position at beginning of year, as restated	<u>3,315,009</u>
Net position at end of year	<u><u>3,454,367</u></u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2024

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	3,370,406
Total	\$ 3,370,406

2.1 Composition of investments: Not Applicable

2.2 Fair value hierarchy in investments: Not Applicable

2.3 Investments held by the University under contractual agreements: Not Applicable

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2023 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2024
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	-	-	-	-	-

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

Depreciable/Amortizable capital assets:

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	254,852	-	-	-	254,852	-	-	-	254,852
Personal property:									
Equipment	53,875	-	-	-	53,875	-	(10,965)	-	42,910
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	308,727	-	-	-	308,727	-	(10,965)	-	297,762
Total capital assets	\$ 308,727	-	-	-	308,727	-	(10,965)	-	297,762

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	(53,875)	-	-	-	(53,875)	-	10,965	-	(42,910)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(308,727)	-	-	-	(308,727)	-	10,965	-	(297,762)
Total capital assets, net excluding ROU assets	\$ -	-	-	-	-	-	-	-	-

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense: Not Applicable

4 Long-term liabilities: Not Applicable

5 Future minimum payments schedule - leases, SBITA, P3: Not Applicable

6 Future minimum payments schedule - Long-term debt obligations: Not Applicable

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	3,381,878
Payments received from University for services, space, and programs	3,794,120
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	(115,160)
Other amounts (payable to) University	-
Accounts receivable from University	246,429
Other amounts receivable from University	-

8 Restatements: Not Applicable

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	-	-	-	-	-	1,515,230	-	1,515,230
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	2,781,375	-	-	2,781,375
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ -	-	-	-	2,781,375	1,515,230	-	4,296,605

No pension plan reported

N/A

10 Deferred outflows/inflows of resources: Not Applicable

11 Other nonoperating revenues (expenses): Not Applicable

See independent auditor's report.

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, 2024, 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 13, 2024.

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 13, 2024

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2024 and 2023



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Financial Statements and Supplemental Information

Years Ended June 30, 2024 and 2023

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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

Opinion

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, 2024 and 2023, 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, 2024 and 2023, 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 4-7 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 generally accepted auditing standards, 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 15-26 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 generally accepted auditing standards. In our opinion, the supplemental 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 19, 2024, 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 19, 2024

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

This section of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (the Organization) annual financial report includes management's discussion and analysis (MD&A). As management of the Organization, we offer this narrative overview and analysis of the financial activities of the Organization for the year ended June 30, 2024 with comparative analysis for prior years. The MD&A should be read in conjunction with the audited financial statements and accompanying notes, which follow this section.

Introduction to the Financial Statements

The MD&A is intended to serve as an introduction to the Organization's basic financial statements, which consist of the following: (1) The statements of net position, (2) the statements of revenues, expenses, and changes in net position, (3) the statements of cash flows, and (4) notes to the financial statements. This report also contains supplemental information in addition to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the Organization.

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

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

Statements of Cash Flows: The statements 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.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 11 of this report.

In addition to the basic financial statements and accompanying notes, this report presents supplemental information including the schedules of expenses by natural classification, supplemental information for inclusion in the California State University, and other information including the schedule of expenditures of federal awards, notes to the schedule of expenditures of federal awards, and the schedule of findings and questioned costs. These supplementary schedules and information can be found beginning on page 15 of this report.

Financial Highlights

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities, for the years ended June 30, 2024, and 2023. The Organization continued to effectively manage its grants and strengthen its financial position by growing the grant portfolio. During the reporting period, the Organization generated and submitted 68 proposals requesting approximately \$54.9 million, with about \$5.2 million in anticipated Facilities and Administrative (F&A) cost recovery – the major source of unrestricted revenue. It is important to note that although the federal negotiated F&A rate is 48% of modified total direct costs, many funding opportunities offer a lower rate and certain categories of expense may not be used when calculating the actual cost recovery.

Other financial highlights as of June 30, 2024 and 2023 include:

- Total assets exceeded total liabilities by \$1.6 million as of June 30, 2024. Total assets exceeded the total liabilities by \$1.2 million as of June 30, 2023.
- The Organization's total net position increased by \$305 thousand in 2024. The Organization's total net position decreased by \$67 thousand in 2023.
- Capital assets increased by \$695 thousand in 2024 and by \$119 thousand in 2023.
- Operating revenue and other support increased by \$1.7 million in 2024 and by \$2.8 million in 2023.
- Operating expenses increased by \$1.3 million in 2024 and by \$2.1 million in 2023.

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

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

Statements of Net Position

	2024	2023	2022
Assets:			
Current assets	\$ 4,064,496	\$ 4,049,185	\$ 4,479,644
Capital assets, net	1,061,493	366,983	247,876
Total Assets	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>	<u>\$ 4,727,520</u>
Liabilities and Net Position:			
Current liabilities	\$ 3,571,787	\$ 3,167,283	\$ 3,412,069
Net Position	<u>1,554,202</u>	<u>1,248,885</u>	<u>1,315,451</u>
Total Liabilities and Net Position	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>	<u>\$ 4,727,520</u>

The statement of net position provides the basis for assessing liquidity and the financial flexibility of the Organization.

Assets

Total assets increased by \$710 thousand to \$5.1 million at June 30, 2024, from \$4.4 million at June 30, 2023. The change in assets is primarily due to an increase in net capital assets of \$695 thousand resulting from major equipment purchases including the acquisition of an emission scanning electron microscope, nursing equipment to support California State University Bakersfield's (CSUB) nursing program, and other equipment to support CSUB's STEM degree program.

Comparatively, total assets decreased \$311 thousand to \$4.4 million at June 30, 2023, from \$4.7 million at June 30, 2022. The net decrease was primarily due to a \$1.2 million decrease in cash offset by a \$692 thousand increase in accounts receivable and a \$119 thousand increase in capital assets. The decrease in cash was due to the transfer of salary cost savings to campus related to the replacement lecturer salary and release time for faculty working on grants. An increase in cost reimbursement contracts contributed to the increase in accounts receivable.

Liabilities and Net Position

The \$710 thousand increase in total liabilities and net position is due to a \$539 thousand increase in unearned revenue as well as a \$305 thousand increase in net position as of June 30, 2024. The increases were offset by a decrease in amounts due to related parties of \$163 thousand. Increase in unearned revenue is due to an increase in grant payments received that cannot be recognized until grant contractual obligations are fulfilled. The change in year-end related parties payables will vary year to year depending on SPA activities. See Note 5 on page 13 for further information regarding the nature of amounts due to related parties. See the following statements of revenues, expenses, and changes in net position for discussion related to the change in net position.

Total change in total liabilities and net position as of June 30, 2023, compared to June 30, 2022, is due to a decrease in liabilities of \$245 thousand and a decrease in net position of \$67 thousand. The decrease in liabilities was primarily attributed to a \$207 thousand decrease in amounts due to campus for replacement lecturer salaries and release time for faculty, comparative to prior year. See the following statements of revenues, expenses and changes in net position for discussion related to the prior year change in net position.

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

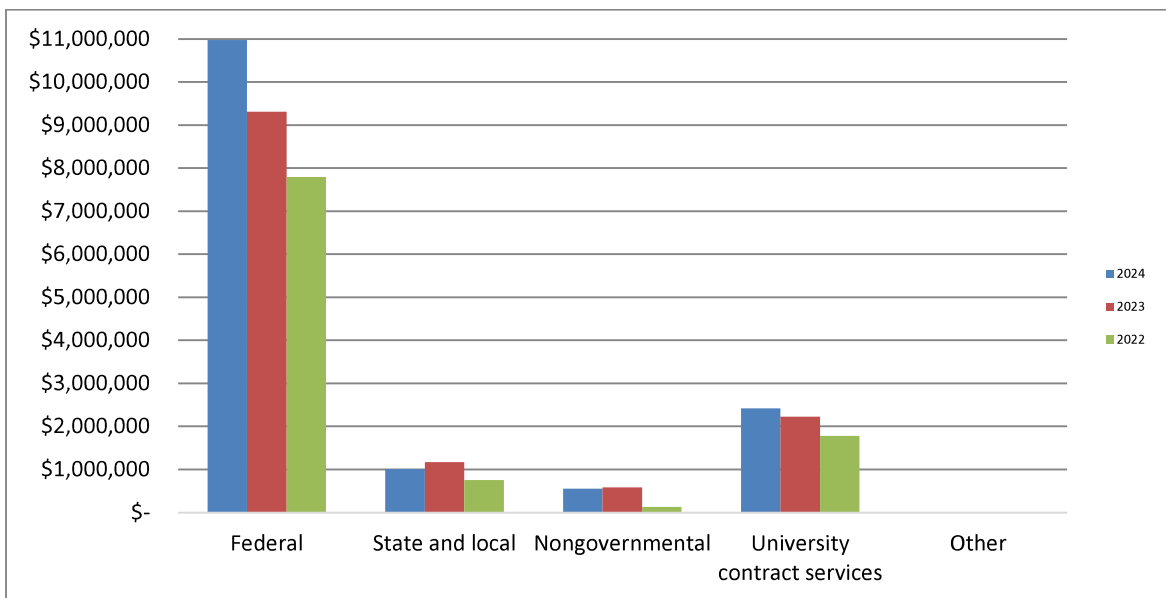
Management’s Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Operating Revenue and Other Support:			
Grants	\$ 12,538,123	\$ 11,069,840	\$ 8,676,783
University contract services	2,420,132	2,227,782	1,781,267
Other	-	-	1,034
Total Operating Revenue and Other Support	14,958,255	13,297,622	10,459,084
Operating Expenses:			
Program services	12,905,308	11,410,658	9,496,358
General and administrative	1,750,286	1,953,530	1,746,383
Total Operating Expenses	14,655,594	13,364,188	11,242,741
Non-Operating Revenues:			
Other	2,656	-	-
Total Non-Operating Revenues	2,656	-	-
Change in Net Position	305,317	(66,566)	(783,657)
Net Position, beginning	1,248,885	1,315,451	2,099,108
Net Position, ending	\$ 1,554,202	\$ 1,248,885	\$ 1,315,451

Revenues



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

Revenues, continued

While the statements of net position show the change in financial position of the Organization, the statements of revenues, expenses, and changes in net position provide answers to the nature and sources of these changes.

Total revenues increased by \$1.7 million, or 13%, to \$15.0 million during the year ended June 30, 2024, from \$13.3 million as of June 30, 2023. The increase was mostly attributed to an increase in federal grant revenue, which increased by \$1.7 million, or 18%, when compared to fiscal year 2023. During the year ended June 30, 2024, federal grant revenue includes 63 federal awarded grants that were active and operational compared to the year ended June 30, 2023, in which federal grant revenue includes 50 active and operational federal awarded grants. The increase in federal revenue is also due to an effort to increase the burn rate in the grant portfolio.

During the year ended June 30, 2023, revenues increased from \$10.5 million to \$13.3 million as of June 30, 2022, an increase of 27%. Federal revenue increased by \$1.5 million, or 19 %, when compared to 2022. The increase in federal grant revenue was primarily due to an increase in the number of federal funded grants. State grant revenue increased from 6 to 7 percent, local grant revenue reflected an increase of revenue from 1 to 2 percent and nongovernmental grant revenue increased from 1 to 4 percent. The increase in state grant revenue was due to the recognition of revenue upon confirmation that all contingencies were met as outlined in the agreements for performance grants that ended. The increase in the local grant revenue was mainly due to the National Youth Sports Program (NYSP) grant that provides students with summer programs which include math, science, drug, and alcohol prevention, education research and sports. The increase in the nongovernmental grant revenue was related to the increase in grants received from non-profit organizations.

Expenses

Total operating expenses in the current year increased \$1.3 million, or 10%, to \$14.7 million during the year ended June 30, 2024, from \$13.4 during year ending June 30, 2023. The increase is largely attributed to an increase in program service expenses. Program service 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.). During the year ended June 30, 2024, payroll expenses totaled \$6.5 million as compared to non-payroll expenses of \$8.2 million. Comparatively, during the year ended June 30, 2023, payroll expenses totaled \$5.4 million and non-payroll expenses totaled \$8 million. The increase in payroll expenses is mainly due to the need for supporting staff and time including faculty engagement (one - time payments) to fulfill the contractual grant obligations. Additionally, all eligible staff and faculty received a 5% salary increase effective July 1, 2023. The increase in non-payroll expenses is due to an overall increase in spending across the grant portfolio. Due to increased grant funding, there was increase by the Principal Investigators in spending for travel, programmatic events, and participant support cost.

During the previous fiscal year, total operating expenses increased \$2.1 million, or 19%, to \$13.4 million during the year ended June 30, 2023, from \$11.2 million during the year ended June 30, 2022. The change was attributed to increases in both payroll expenses and non-payroll expenses. Increase in payroll expenses was due to filling vacancies within the programmatic functions as well as a 7% general salary increase to staff and faculty. Increase in non-payroll expenses was due to an overall increase in spending across the grant portfolio. The lift of COVID-19 restrictions further drove higher expenses in fiscal year 2023 comparative to fiscal year 2022.

Request for Information and 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 Heather Macaulay, Interim Associate Vice President and Chief Accounting Officer, California State University, Bakersfield at 9001 Stockdale Highway, ADM 109, Bakersfield, California 93311.

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

Statements of Net Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,212,430	\$ 1,397,374
Accounts receivable	2,703,523	2,577,948
Due from related parties	13,686	3,403
Prepaid expenses	134,857	70,460
Capital assets, net	<u>1,061,493</u>	<u>366,983</u>
Total Assets	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>
LIABILITIES AND NET POSITION		
Accounts payable	\$ 40,189	\$ 56,875
Due to related parties	1,208,409	1,371,006
Accrued expenses	960,761	938,286
Unearned revenue	1,292,620	753,449
Compensated absences - due within one year	<u>69,808</u>	<u>47,667</u>
Total Liabilities	3,571,787	3,167,283
Net investment in capital assets	1,061,493	366,983
Unrestricted	<u>492,709</u>	<u>881,902</u>
Total Net Position	<u>1,554,202</u>	<u>1,248,885</u>
Total Liabilities and Net Position	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>

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

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenue and Other Support:		
Grants:		
Federal	\$ 10,976,651	\$ 9,312,433
State	849,288	951,444
Nongovernmental	556,890	586,552
Local	155,294	219,411
University contract services	2,420,132	2,227,782
Total Operating Revenue and Other Support	<u>14,958,255</u>	<u>13,297,622</u>
Operating Expenses:		
Program services	12,905,308	11,410,658
General and administrative	1,750,286	1,953,530
Total Operating Expenses	<u>14,655,594</u>	<u>13,364,188</u>
Non-Operating Revenues:		
Other	2,656	-
Total Non-Operating Revenues	<u>2,656</u>	<u>-</u>
Change in Net Position	305,317	(66,566)
Net Position, beginning	<u>1,248,885</u>	<u>1,315,451</u>
Net Position, ending	<u>\$ 1,554,202</u>	<u>\$ 1,248,885</u>

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

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Grant revenue receipts	\$ 12,944,092	\$ 10,423,719
University contract services	2,420,132	2,227,782
Payments to suppliers	(8,453,352)	(8,193,302)
Payments to employees	(6,295,435)	(5,365,501)
Net Cash Provided by (Used in) Operating Activities	<u>615,437</u>	<u>(907,302)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisitions of capital assets	(800,381)	(289,016)
Net Cash Used in Capital and Related Financing Activities	<u>(800,381)</u>	<u>(289,016)</u>
Net Decrease in Cash and Cash Equivalents	(184,944)	(1,196,318)
Cash and Cash Equivalents, beginning of year	<u>1,397,374</u>	<u>2,593,692</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,212,430</u>	<u>\$ 1,397,374</u>
Reconciliation of Change in Net Position to Net Cash Provided by (Used) in Operating Activities:		
Change in net position	\$ 305,317	\$ (66,566)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Depreciation	65,071	43,751
Transfer of capital assets to a related party	40,800	126,158
Changes in operating assets and liabilities:		
Accounts receivable	(125,575)	(691,996)
Due from related parties	(10,283)	(3,403)
Prepaid expenses	(64,397)	(70,460)
Accounts payable	(16,686)	(5,649)
Due to related parties	(162,597)	(206,982)
Accrued expenses	22,475	(69,763)
Deferred revenue	539,171	49,278
Compensated absences	22,141	(11,670)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 615,437</u>	<u>\$ (907,302)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (the 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 (University) 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.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation, specifically, separating compensated absences from accounts payable in the statements of net position. These reclassifications had no effect on the reported results of operations.

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 statements of revenues, expenses, and changes in net position, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2024 and 2023, therefore no amounts have been accrued.

Cash and Cash Equivalents

The Organization's cash and cash equivalents are considered to be cash on hand, and demand deposits.

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.

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

Unearned Revenue

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

Compensated Absences

Vacation benefits are accrued when earned and reduced when used. Sick leave, holiday pay, and other absence are expensed when used.

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 19, 2024, which is the date the financial statements were available to be issued and has determined that there were no subsequent events to recognize in these financial statements.

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, 2024:

	Balance June 30, 2023	Additions	Transfers	Balance June 30, 2024
Equipment	\$ 445,009	\$ 800,381	\$ (57,858)	\$ 1,187,532
Less accumulated depreciation	(78,026)	(65,071)	17,058	(126,039)
	<u>\$ 366,983</u>	<u>\$ 735,310</u>	<u>\$ (40,800)</u>	<u>\$ 1,061,493</u>

Changes in capital assets consist of the following for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Transfers	Balance June 30, 2023
Equipment	\$ 366,572	\$ 289,016	\$ (210,579)	\$ 445,009
Less accumulated depreciation	(118,696)	(43,751)	84,421	(78,026)
	<u>\$ 247,876</u>	<u>\$ 245,265</u>	<u>\$ (126,158)</u>	<u>\$ 366,983</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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, 2024 and 2023 was \$2,263,532 and \$2,071,182, 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 has recognized revenue equal to the fair value of this rent for similar facilities. The total estimated fair value of this rent for the years ended June 30, 2024 and 2023 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 Organization functions to benefit the University by accomplishing certain objectives, including faculty and staff research and educational projects, that require financial support not provided by the State. The University collects funds on behalf of the Organization related to draw downs on their various grants. These amounts are reported as payments received from the University.

During the years ended June 30, 2024 and 2023, payments to the University are for payroll and other administrative services to the Organization.

California State University, Bakersfield Foundation (Foundation) functions to the benefit of the University by fundraising for University programs and activities. Payments received from the Foundation are for the reimbursement of expenses incurred by the Organization on behalf of Foundation.

During the year ended June 30, 2024, payments to Foundation include reimbursements for expenses paid by Foundation on behalf of the Organization. During the year ended June 30, 2023, payments to Foundation include the reimbursement for cost incurred through a historical grant fund that were cleared by Sponsored Programs Administration as well as the reimbursement to Foundation for expenses paid by Foundation on behalf of the Organization.

California State University, Bakersfield, Student-centered Enterprises, Inc. (Student-centered Enterprises) operates various campus programming facilities. Payments to Student-centered Enterprises are for the use of the related party's facilities and equipment.

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 5 - Related Party Transactions, continued

Related party transactions as of and for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Payments received from:		
University	\$ 102,020	\$ 75,125
Foundation	7,032	905
	<u>\$ 109,052</u>	<u>\$ 76,030</u>
Payments to:		
University	\$ 5,716,021	\$ 4,996,344
Foundation	53,124	374,633
Student-centered Enterprises	58,600	43,755
	<u>\$ 5,827,745</u>	<u>\$ 5,414,732</u>
Due from:		
University	\$ 13,336	\$ 3,403
Foundation	350	-
	<u>\$ 13,686</u>	<u>\$ 3,403</u>
Due to:		
University	\$ 1,201,313	\$ 1,013,542
Foundation	946	357,464
Student-centered Enterprises	6,150	-
	<u>\$ 1,208,409</u>	<u>\$ 1,371,006</u>

Note 6 – Compensated Absences

A summary of the changes in compensated absences at June 30, 2024 and 2023 are as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Compensated absences	\$ 47,667	\$ 67,391	\$ (45,250)	\$ 69,808	\$ 69,808
	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Compensated absences	\$ 59,337	\$ 43,108	\$ (54,778)	\$ 47,667	\$ 47,667

SUPPLEMENTAL INFORMATION

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

Schedule of Expenses by Natural Classification

Year Ended June 30, 2024

	Program Services	General and Administrative	Total
Salaries	\$ 5,188,987	\$ -	\$ 5,188,987
University contract services	1,382,235	1,037,897	2,420,132
Stipends	1,985,097	-	1,985,097
Supplies	1,258,570	5,680	1,264,250
Payroll taxes and benefits	1,258,814	-	1,258,814
Services from other agencies	555,556	560,567	1,116,123
Small equipment	429,250	62,683	491,933
Travel	316,033	-	316,033
Conference and meetings	168,368	621	168,989
Printing and publications	93,188	852	94,040
Dues and subscriptions	93,266	-	93,266
Professional fees	12,659	53,200	65,859
Depreciation	65,071	-	65,071
Space rental	57,142	-	57,142
Insurance	180	28,201	28,381
Miscellaneous	24,497	545	25,042
Telephone	9,622	-	9,622
Parking	4,583	40	4,623
Postage	2,190	-	2,190
Total Expenses	\$ 12,905,308	\$ 1,750,286	\$ 14,655,594

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

Schedule of Expenses by Natural Classification

Year Ended June 30, 2023

	Program Services	General and Administrative	Total
Salaries	\$ 4,104,982	\$ -	\$ 4,104,982
University contract services	1,143,435	1,084,347	2,227,782
Stipends	1,772,584	-	1,772,584
Services from other agencies	970,042	712,620	1,682,662
Payroll taxes and benefits	1,181,403	-	1,181,403
Supplies	1,023,194	11,036	1,034,230
Small equipment	464,249	35,731	499,980
Travel	268,095	1,484	269,579
Conference and meetings	168,015	832	168,847
Printing and publications	100,364	647	101,011
Dues and subscriptions	65,681	17,350	83,031
Professional fees	8,326	64,715	73,041
Space rental	64,876	-	64,876
Depreciation	43,751	-	43,751
Miscellaneous	22,573	5,115	27,688
Insurance	-	19,653	19,653
Telephone	6,854	-	6,854
Postage	2,234	-	2,234
Total Expenses	<u>\$ 11,410,658</u>	<u>\$ 1,953,530</u>	<u>\$ 13,364,188</u>

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

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	1,212,430
Short-term investments	-
Accounts receivable, net	2,717,209
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	134,857

Total current assets 4,064,496

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	1,061,493
Other assets	-

Total noncurrent assets 1,061,493

Total assets 5,125,989

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-

Total deferred outflows of resources -

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

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Liabilities:

Current liabilities:

Accounts payable	1,248,598
Accrued salaries and benefits	376,598
Accrued compensated absences, current portion	69,808
Unearned revenues	1,292,620
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	584,163
Total current liabilities	<u>3,571,787</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
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	<u>-</u>
Total liabilities	<u>3,571,787</u>

Deferred inflows of resources:

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

See independent auditor's report.

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

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Net position:

Net investment in capital assets	1,061,493
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	<u>492,709</u>
Total net position	<u><u>1,554,202</u></u>

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

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	-
Scholarship allowances	-

Grants and contracts, noncapital:

Federal	10,976,651
State	849,288
Local	155,294
Nongovernmental	556,890
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances	-
Other operating revenues	2,420,132
Total operating revenues	14,958,255

Expenses:

Operating expenses:

Instruction	1,982,805
Research	3,827,227
Public service	1,573,931
Academic support	686,489
Student services	3,387,550
Institutional support	3,132,521
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	65,071
Total operating expenses	14,655,594
Operating income (loss)	302,661

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

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

(for inclusion in the California State University)

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)	2,656
Net nonoperating revenues (expenses)	<u>2,656</u>
Income (loss) before other revenues (expenses)	305,317

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>305,317</u>

Net position:

Net position at beginning of year, as previously reported	1,248,885
Restatements	-
Net position at beginning of year, as restated	<u>1,248,885</u>
Net position at end of year	<u><u>1,554,202</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2024

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	1,212,430
Total	\$ 1,212,430

2.1 Composition of investments:

Not Applicable

2.2 Fair value hierarchy in investments:

Not Applicable

2.3 Investments held by the University under contractual agreements:

Not Applicable

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2023 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2024
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	445,009	-	-	-	445,009	800,381	(57,858)	-	1,187,532
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	445,009	-	-	-	445,009	800,381	(57,858)	-	1,187,532
Total capital assets	445,009	-	-	-	445,009	800,381	(57,858)	-	1,187,532

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2024

(for inclusion in the California State University)

Less accumulated depreciation/amortization:

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(78,026)	-	-	-	(78,026)	(65,071)	17,058	-	(126,039)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(78,026)	-	-	-	(78,026)	(65,071)	17,058	-	(126,039)
Total capital assets, net excluding ROU assets	\$ 366,983	-	-	-	366,983	735,310	(40,800)	-	1,061,493

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2023	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	-	-	-	-	-	-	-	-	-

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2024

(for inclusion in the California State University)

Composition of capital assets - SBITA ROU, net	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Depreciable/Amortizable SBITA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - P3 ROU, net:	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-

Total capital assets, net including ROU assets

1,061,493

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 65,071
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	<u><u>\$ 65,071</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2024

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2023	Prior Period Adjustments/Reclassifications	Balance June 30, 2023 (Restated)	Additions	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
1. Accrued compensated absences	47,667	-	47,667	67,391	(45,250)	69,808	69,808	-
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
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 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-

	Balance June 30, 2023	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	-	-	-	-	-	-	-	-
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ -	-	-	-	-	-	-	-
Total long-term liabilities						\$ 69,808	\$ 69,808	\$ -

5 Future minimum payments schedule - leases, SBITA, P3: Not Applicable

6 Future minimum payments schedule - Long-term debt obligations: Not Applicable

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2024

(for inclusion in the California State University)

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	2,938,845
Payments to University for other than salaries of University personnel	2,777,176
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	(1,201,313)
Other amounts (payable to) University	-
Accounts receivable from University	13,336
Other amounts receivable from University	-

8 Restatements

Not Applicable

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	840,180	208,075	-	-	-	934,550	-	1,982,805
Research	1,949,055	435,552	-	-	-	1,442,620	-	3,827,227
Public service	636,153	121,935	-	-	-	815,843	-	1,573,931
Academic support	197,825	25,344	-	-	-	463,320	-	686,489
Student services	1,567,603	467,908	-	-	-	1,352,039	-	3,387,550
Institutional support	1,430,675	832,857	-	-	-	868,989	-	3,132,521
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	65,071	65,071
Total operating expenses	\$ 6,621,491	2,091,671	-	-	-	5,877,361	65,071	14,655,594

No pension plan reported

N/A

10 Deferred outflows/inflows of resources:

Not Applicable

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	2,656
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	2,656

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 generally accepted auditing standards 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, 2024, 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 19, 2024.

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 19, 2024

SUPPLEMENTAL AWARDS INFORMATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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 Office of Management and Budget *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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 FEDERAL 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, in 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 19, 2024

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

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
Research and Development Cluster:				
<u>National Science Foundation</u>				
Direct Programs:				
Collab Research: Correlating Optoelectronic Properties	47.049	DMR-1904042	\$ 46,181	\$ -
Collaborative Research: GeoPaths-EXTRA	47.050	ICER-1700942	41,751	-
Cyber Resilient 5G Enable Virtual Power System	47.070	CNS-2219701	36,427	-
Orchestration of Network Slicing for 5G-Enabled IoT Devices Using Reinforcement Learning	47.070	CNS-2318634	28,540	-
Catalyzing IDEA's for the San Joaquin Valley	47.076	HRD-1928568	203,242	-
HSI Pilot Project: The MAESTRO	47.076	HRD-2122442	63,542	-
Advance Catalyst: Organization	47.076	HRD-2200323	118,550	-
Collab Research: HIS Pilot Project SPACE	47.076	DUE-2247283	44,204	-
MRI: Acquisition of a Field Scanning Electron Microscope for Interdisciplinary Research and Teaching at CSUB	47.083	EAR-2215523	520,046	-
Pass-through Council of Graduate Schools:				
CGS Master's Career Pathway Project	47.076	HRD-2100343	10,851	-
Pass-through CSU Sacramento:				
CSU-LSAMP (2018-2023)	47.076	HRD-1826490	10,000	-
			<u>1,123,334</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
BRIXCAL	10.223	2020-38422-32245	118,008	-
SUPPERSTAR: Sustainability Undergraduate Program	10.310	2022-68018-36609	98,871	-
Capacity Building Agricultural Wastes	10.326	2021-70001-34774	54,951	20,401
Collaborative Capacity Building on Biodegradable Soil Sensors for Sustainable Agriculture	10.326	2023-70001-40988	13,002	-
Pass-through Cal State Los Angeles Auxiliary Services, Inc:				
e-Farms: Education Reform in Food and Agriculture	10.223	2023-77040-41314	19,995	-
			<u>304,827</u>	<u>20,401</u>
<u>U.S. Department of Defense</u>				
Pass-through Brigham Young University:				
Assessing the Influence of Space Launch and Landing Noise on Species of Concern	12.005	23-0595	275,493	-
<u>U.S. Department of Education</u>				
Direct Programs:				
An Equitable Pathway to In Demand STEM Careers	84.031C	P031C210093	916,835	-
Increasing Hispanic STEM Related Degree Completion	84.031M	P031M190029	709,039	-
Pathway Adelante: A Model HIS Career Pathway to Health Sciences	84.031S	P031S200095	596,550	-
Puedas! Caminos, Carino, Y Carreras in Post Academic Era	84.031S	P031S220020	736,594	-
POP THE CAP	84.116T	P116T230003	94,715	-
			<u>3,053,733</u>	<u>-</u>

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

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>U.S. Department of Energy</u>				
Direct Program:				
Nanopore Characterization for Geologic Storage og H2 and CO2	81.049	DE-SC0023639	\$ 354,513	\$ -
<u>U.S. Department of Health & Human Services</u>				
Direct Program:				
U-RISE at CSUB	93.859	5T34GM145384-02	280,368	-
Pass-through Fordham University:				
The 3E Study: Economic and Educational Contributions to Emerging Adult Cardiometabolic Health	93.837	3R01HL160703-02S2	34,042	-
			<u>314,410</u>	<u>-</u>
Total Research and Development Cluster			\$ 5,426,310	\$ 20,401
WIOA Cluster:				
<u>U.S. Department of Labor</u>				
Pass-through County of Kern:				
Migrant Book 2022	17.264	D237069	\$ 397	-
Migrant Book Assistance Program 2023	17.264	D247911	24,442	-
Total WIOA Cluster			\$ 24,839	-
TRIO Cluster:				
<u>U.S. Department of Education</u>				
Direct Program:				
CSUB TRIO Talent Search Program	84.044A	P044A210365	\$ 573,684	-
Total TRIO Cluster			\$ 573,684	-
<u>U.S. Department of Commerce</u>				
Direct Program:				
EDA University Center 2022-27	11.303	ED22SEA3030042	\$ 120,264	-
<u>U.S. Department of Defense</u>				
Direct Program:				
2023 GenCyber - CSUB	12.903	H98230-23-1-0144	13,945	-
<u>U.S. Department of the Interior, Bureau of Land Management</u>				
Direct Program:				
Detection of Coccidioides Immitis in Soil Samples	15.225	L21AC10478-00	18,110	-
<u>U.S. Department of the Interior</u>				
Pass-through the State Department of Parks and Recreation:				
SSJVIC - Historic Preservation Fund 22-23	15.904	P22AF01152	1,000	-

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

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>U.S. Department of Justice/Office of Violence Against Women</u>				
Direct Program:				
Roadrunner Risk Reduction Program	16,525	2018-WA-AX-0046	\$ 19,554	\$ -
Runner Pride: Prevention, Inclusion, Diversity	16,525	15JOVW-23-GG-04453-HBCU	49,530	-
			69,084	-
<u>U.S. Department of State</u>				
Pass-through World Learning Inc:				
Faculty Led Study Abroad Nursing Program to Developing Nations	19,009	IDEAS-CSUB01	30,403	-
<u>U.S. Department of the Treasury</u>				
Pass-through OPR California Volunteers:				
California for College Fellows	21.027-COVID-19	CCSFRF002	510,692	-
City of Bakersfield Entrepreneurship Ecosystem Technical Assistance and Grant	21,027-COVID-19	2023-065	80,987	-
			591,679	-
<u>National Endowment for the Humanities</u>				
Direct Program:				
California Dreaming: Migration, Work, and Settlement	45,163	BH-281239-21	138,406	-
Pass-through California Humanities:				
America's Newest Cities: Housing and "Red Lining" in California's Central	45,129	SO-289878-23 / HFAQ23-356	4,284	-
			142,690	-
<u>Institute of Museum and Library Services</u>				
Direct Program:				
The Lonesome Trail: Arborglyph and Basque Shepherders in the Far West	45,301	IGSM-252830-OMS-23	11,001	-
<u>U.S. Small Business Administration</u>				
Pass-through The Regents of UC, Merced:				
SBA Core Funding SBDC	59,037	SBAHQ22B0079	7,088	-
SBDC Core Funding 2023	59,037	SBAOEDSB230009-01-01	255,000	-
SBDC Core Funding 2024	59,037	SBAOEDSB40074-01	11,927	-
			274,015	-
<u>U.S. Department of Education</u>				
Direct Programs:				
High School Equivalency Program	84,141A	S141A200028	526,901	-
College Assistance Migrant Program	84,149A	S149A200030	502,447	-
TQP III: Citizen Scientist Residency Pathway	84,336S	U336S180012	384,643	-
Pass-through Tulare County Office of Education:				
Teacher Residency for Rural Education	84,336S	U336S190056	149,955	-
Pass-through The Regents of UC, Office of the President:				
CSMP-ESSA22	84,367A	S367A220005	20,171	-
			1,584,117	-
<u>National Historical Publications and Records Commission</u>				
Pass-through Nevada System of Higher Education:				
Arborglyphs: Immigrants Speaking Through the Aspens	89,003	RJ-103516-23	2,574	-

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

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>U.S. Department of Health & Human Services</u>				
Direct Program:				
HRSA ANEW Program Transforming Workforce	93.247	T94HP32897-01-00	\$ 7,817	\$ -
HRSA ANEW IHOS3 Program	93.247	2 T94HP32897-05-00	633,806	-
HRSA NEPQR-SET Strong Workforce for the Future	93.359	T4852016	181,344	-
Pass-through Penny Lane Centers:				
MSW Field Education State	93.959-COVID-19	GRA10177	7,282	-
MSW Field Placement	93.959-COVID-19	GRA10491	6,064	-
Pass-through The Center for Sexuality and Gender Diversity:				
MSW Field Education 2023-24	93.959-COVID-19	GRA10521	34,656	-
Pass-through Regents of UC, Berkeley:				
CalSWEC Title IV-E	93.658	00011218	1,058,638	-
			<u>1,929,607</u>	<u>-</u>
<u>Corporation for National and Community Service-AmeriCorps</u>				
Pass-through Jumpstart for Young Children, Inc.:				
JumpStart Training for ECE Students Interested in Teaching	94.006	3360230	20,937	-
Jumpstart Children First 2023-2024	94.006	3360240	54,012	-
			<u>74,949</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 10,888,271</u>	<u>\$ 20,401</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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, 2024

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>
84.044	TRIO Cluster – TRIO – Talent Search
93.247	HRSA ANEW
93.658	CalSWEC Title IV-E

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.

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

Schedule of Prior Year Findings and Questioned Costs

Year Ended June 30, 2024

Section IV - Prior Year Findings and Questioned Costs

None reported.

California State University, Bakersfield Foundation

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2024 and 2023



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Financial Statements and Supplemental Information

Years Ended June 30, 2024 and 2023

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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 statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, 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 Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on pages 31-39 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 19, 2024, 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 19, 2024

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Statements of Financial Position**

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 16,893,869	\$ 14,693,436
Current portion of promises to give, net of allowance for doubtful promises	2,258,348	2,795,062
Due from related parties	15,862	516,890
Accounts receivable, net of allowance for credit losses	1,430	3,171
Other current assets	3,503	2,631
Total Current Assets	<u>19,173,012</u>	<u>18,011,190</u>
Non-Current Assets:		
Investments	42,008,842	35,960,422
Promises to give, net of discount and current portion	966,321	2,774,018
Property and equipment, net of accumulated depreciation	28,294	35,046
Collections	82,170	82,170
Life insurance policy	-	861
Total Non-Current Assets	<u>43,085,627</u>	<u>38,852,517</u>
Total Assets	<u>\$ 62,258,639</u>	<u>\$ 56,863,707</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 192,518	\$ 187,514
Due to related parties	265,548	153,717
Deposits, events	11,285	7,184
Revenue collected in advance	5,600	75,880
Current portion of accrued post-employment benefits other than pensions	63,325	68,080
Total Current Liabilities	<u>538,276</u>	<u>492,375</u>
Non-Current Liabilities:		
Accrued post-employment benefits other than pensions, net of current portion	<u>715,341</u>	<u>735,315</u>
Total Liabilities	<u>1,253,617</u>	<u>1,227,690</u>
Net Assets:		
Without donor restrictions:		
Operating	(1,611,909)	(1,690,330)
Board designated endowments	<u>4,965,707</u>	<u>4,327,923</u>
	<u>3,353,798</u>	<u>2,637,593</u>
With donor restrictions:		
Purpose restricted	19,881,702	20,164,093
Endowments - accumulated investment gains	6,984,246	4,896,926
Endowments - perpetual in nature	<u>30,785,276</u>	<u>27,937,405</u>
	<u>57,651,224</u>	<u>52,998,424</u>
Total Net Assets	<u>61,005,022</u>	<u>55,636,017</u>
Total Liabilities and Net Assets	<u>\$ 62,258,639</u>	<u>\$ 56,863,707</u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue and Other Support:		
Contributions	\$ 5,157,365	\$ 4,364,116
Investment income	4,425,510	2,524,916
Contributed nonfinancial assets (Note 11)	2,428,866	3,291,802
Other	1,134,833	1,436,938
Transfers from related parties (Note 12)	<u>4,839</u>	<u>209,739</u>
Total Revenue and Other Support	13,151,413	11,827,511
Expenses:		
Program services:		
Alumni engagement	142,490	38,251
Athletics	1,731,106	3,201,068
Scholarships and academic support	2,379,248	2,362,097
Supporting services:		
General and administrative	1,676,138	1,793,289
Fundraising	<u>1,810,058</u>	<u>2,733,308</u>
Total Operating Expenses	<u>7,739,040</u>	<u>10,128,013</u>
Income from Operations	5,412,373	1,699,498
Non-Operating Revenues (Expenses):		
Transfers from related parties (Note 12)	-	1,281,538
Change in post-employment benefits other than pensions	<u>(43,368)</u>	<u>(99,077)</u>
Total Non-Operating Revenues (Expenses)	<u>(43,368)</u>	<u>1,182,461</u>
Change in Net Assets	5,369,005	2,881,959
Net Assets, beginning	<u>55,636,017</u>	<u>52,754,058</u>
Net Assets, ending	<u>\$ 61,005,022</u>	<u>\$ 55,636,017</u>

See accompanying notes to financial statements.

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

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 60,582	\$ 5,096,783	\$ 5,157,365
Investment income	903,577	3,521,933	4,425,510
Contributed nonfinancial assets (Note 11)	2,372,151	56,715	2,428,866
Other	851,272	283,561	1,134,833
Transfers from related parties (Note 12)	1,644	3,195	4,839
Net assets released from restriction	4,309,387	(4,309,387)	-
	<u>8,498,613</u>	<u>4,652,800</u>	<u>13,151,413</u>
Total Revenue and Other Support	8,498,613	4,652,800	13,151,413
Expenses:			
Program services:			
Alumni engagement	142,490	-	142,490
Athletics	1,731,106	-	1,731,106
Scholarships and academic support	2,379,248	-	2,379,248
Supporting services:			
General and administrative	1,676,138	-	1,676,138
Fundraising	1,810,058	-	1,810,058
	<u>7,739,040</u>	<u>-</u>	<u>7,739,040</u>
Total Operating Expenses	7,739,040	-	7,739,040
Income from Operations	759,573	4,652,800	5,412,373
Non-Operating Expenses:			
Change in post-employment benefits other than pensions	(43,368)	-	(43,368)
	<u>716,205</u>	<u>4,652,800</u>	<u>5,369,005</u>
Change in Net Assets	716,205	4,652,800	5,369,005
Net Assets, beginning	<u>2,637,593</u>	<u>52,998,424</u>	<u>55,636,017</u>
Net Assets, ending	<u>\$ 3,353,798</u>	<u>\$ 57,651,224</u>	<u>\$ 61,005,022</u>

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

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Other Support:			
Contributions	\$ 54,897	\$ 4,309,219	\$ 4,364,116
Investment income	395,353	2,129,563	2,524,916
Contributed nonfinancial assets (Note 11)	3,172,584	119,218	3,291,802
Other	817,199	619,739	1,436,938
Transfers from related parties (Note 12)	-	209,739	209,739
Net assets released from restriction	<u>5,783,194</u>	<u>(5,783,194)</u>	<u>-</u>
Total Revenue and Other Support	10,223,227	1,604,284	11,827,511
Expenses:			
Program services:			
Alumni engagement	38,251	-	38,251
Athletics	3,201,068	-	3,201,068
Scholarships and academic support	2,362,097	-	2,362,097
Supporting services:			
General and administrative	1,793,289	-	1,793,289
Fundraising	<u>2,733,308</u>	<u>-</u>	<u>2,733,308</u>
Total Operating Expenses	<u>10,128,013</u>	<u>-</u>	<u>10,128,013</u>
Income from Operations	95,214	1,604,284	1,699,498
Non-Operating Revenues (Expenses):			
Transfers from related parties (Note 12)	1,139,209	142,329	1,281,538
Change in post-employment benefits other than pensions	<u>(99,077)</u>	<u>-</u>	<u>(99,077)</u>
Total Non-Operating Revenues	<u>1,040,132</u>	<u>142,329</u>	<u>1,182,461</u>
Change in Net Assets	1,135,346	1,746,613	2,881,959
Net Assets, beginning	<u>1,502,247</u>	<u>51,251,811</u>	<u>52,754,058</u>
Net Assets, ending	<u>\$ 2,637,593</u>	<u>\$ 52,998,424</u>	<u>\$ 55,636,017</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services				Supporting Services			
	Alumni Engagement	Athletics	Scholarships and Academic Support	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Operating Expenses:								
University contract expenses (Note 11)	\$ 110,695	\$ -	\$ -	\$ 110,695	\$ 1,081,219	\$ 1,180,237	\$ 2,261,456	\$ 2,372,151
Scholarships	-	628,211	1,009,659	1,637,870	-	-	-	1,637,870
Salaries and wages	1,100	408,817	422,123	832,040	1,235	-	1,235	833,275
Travel	3,380	353,103	47,706	404,189	10,212	26,895	37,107	441,296
Supplies and services	2,133	50,215	291,585	343,933	46,489	46,809	93,298	437,231
Office expense	12,950	35,826	105,256	154,032	39,341	111,246	150,587	304,619
Transfers to related parties (Note 12)	-	6,938	265,696	272,634	-	2,325	2,325	274,959
Events	-	-	7,148	7,148	-	229,317	229,317	236,465
Information technology	799	-	42,133	42,932	29,981	149,846	179,827	222,759
Employee benefits	-	47,087	11,057	58,144	157,427	6,300	163,727	221,871
Bad debt	-	-	-	-	153,044	-	153,044	153,044
Conference, conventions, and meetings	5,800	37,467	17,260	60,527	4,577	39,639	44,216	104,743
Miscellaneous	-	95,125	8,236	103,361	-	1,149	1,149	104,510
Other professional fees	-	-	80,074	80,074	6,750	2,449	9,199	89,273
Dues and subscriptions	-	802	31,555	32,357	23,545	3,124	26,669	59,026
Accounting	-	-	-	-	55,000	-	55,000	55,000
Advertising and promotion	680	15	2,611	3,306	35,417	8,789	44,206	47,512
Minor equipment	-	29,688	8,130	37,818	1,678	195	1,873	39,691
Contributed nonfinancial asset expenses	-	30,000	6,120	36,120	-	-	-	36,120
Insurance	2,837	4,261	7,731	14,829	13,953	895	14,848	29,677
Occupancy	2,116	500	15,168	17,784	10,841	843	11,684	29,468
Depreciation	-	3,051	-	3,051	3,701	-	3,701	6,752
Legal	-	-	-	-	1,728	-	1,728	1,728
Total operating expenses	142,490	1,731,106	2,379,248	4,252,844	1,676,138	1,810,058	3,486,196	7,739,040
Non-Operating Expenses:								
Change in post-employment benefits other than pensions	-	-	-	-	43,368	-	43,368	43,368
Total expenses	\$ 142,490	\$ 1,731,106	\$ 2,379,248	\$ 4,252,844	\$ 1,719,506	\$ 1,810,058	\$ 3,529,564	\$ 7,782,408

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services				Supporting Services			Total
	Alumni Engagement	Athletics	Scholarships and Academic Support	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Operating Expenses:								
University contract expenses (Note 11)	\$ -	\$ -	\$ -	\$ -	\$ 1,119,871	\$ 2,052,713	\$ 3,172,584	\$ 3,172,584
Transfers to related parties (Note 12)	-	1,446,243	475,919	1,922,162	100,600	-	100,600	2,022,762
Scholarships	-	552,762	789,898	1,342,660	-	-	-	1,342,660
Salaries and wages	900	407,032	327,537	735,469	-	4,596	4,596	740,065
Travel	1,574	392,599	87,999	482,172	3,681	30,835	34,516	516,688
Supplies and services	2,549	61,610	323,772	387,931	34,176	34,709	68,885	456,816
Employee benefits	-	115,498	17,773	133,271	239,047	22,309	261,356	394,627
Office expense	18,976	32,968	92,727	144,671	41,486	96,241	137,727	282,398
Events	-	-	322	322	-	275,758	275,758	276,080
Information technology	3,392	30,000	22,078	55,470	21,680	143,673	165,353	220,823
Dues and subscriptions	-	2,540	88,688	91,228	18,625	13,752	32,377	123,605
Contributed nonfinancial asset expenses	-	54,069	42,087	96,156	-	-	-	96,156
Conference, conventions, and meetings	100	16,429	18,295	34,824	20,118	30,570	50,688	85,512
Miscellaneous	-	61,459	17,208	78,667	-	3,223	3,223	81,890
Bad debt	-	-	-	-	70,436	-	70,436	70,436
Minor equipment	-	20,059	33,824	53,883	15,215	-	15,215	69,098
Accounting	-	-	-	-	52,400	-	52,400	52,400
Advertising and promotion	969	-	5,445	6,414	11,391	16,276	27,667	34,081
Occupancy	7,177	-	17,080	24,257	7,558	952	8,510	32,767
Insurance	2,614	3,737	1,445	7,796	9,812	1,013	10,825	18,621
Legal	-	-	-	-	16,479	-	16,479	16,479
Other professional fees	-	1,013	-	1,013	7,013	6,688	13,701	14,714
Depreciation	-	3,050	-	3,050	3,701	-	3,701	6,751
Total operating expenses	38,251	3,201,068	2,362,097	5,601,416	1,793,289	2,733,308	4,526,597	10,128,013
Non-Operating Expenses:								
Change in post-employment benefits other than pensions	-	-	-	-	99,077	-	99,077	99,077
Total expenses	\$ 38,251	\$ 3,201,068	\$ 2,362,097	\$ 5,601,416	\$ 1,892,366	\$ 2,733,308	\$ 4,625,674	\$ 10,227,090

See accompanying notes to financial statements.

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

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 5,369,005	\$ 2,881,959
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,752	6,751
Gain on investments	(4,402,065)	(2,677,349)
Endowment contributions	(2,847,871)	(1,056,492)
Changes in operating assets and liabilities:		
Promises to give	2,344,411	2,330,566
Accounts receivable	502,769	(438,171)
Other current assets	(872)	(2,631)
Collections	-	9,500
Life insurance policy	861	1,878
Accounts payable and accrued expenses	5,004	55,748
Other current liabilities	45,652	(1,038,547)
Accrued post-employment benefits other than pensions	(24,729)	37,861
Net Cash Provided by Operating Activities	998,917	111,073
Cash Flows from Investing Activities:		
Purchases of investments	(16,131,876)	(20,096,827)
Proceeds from sale of investments	14,485,521	20,581,305
Net Cash Provided (Used) by Investing Activities	(1,646,355)	484,478
Cash Flows Used by Financing Activities:		
Endowment contributions	2,847,871	1,056,492
Net Increase in Cash and Cash Equivalents	2,200,433	1,652,043
Cash and Cash Equivalents, beginning	14,693,436	13,041,393
Cash and Cash Equivalents, ending	\$ <u>16,893,869</u>	\$ <u>14,693,436</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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 in 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 Standard

Effective July 1, 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This update requires the use of a forward-looking expected credit loss model for instruments within its scope, including accounts receivable, and replaces the previous incurred loss impairment model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Management has analyzed provisions contained in Topic 326 and determined that there is no impact on net assets as of July 1, 2023, due to the adoption of the new policy.

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 requires the Foundation 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 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, whereby 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 U.S. GAAP related to the recognition of uncertain tax positions. The Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Foundation has no uncertain tax positions at June 30, 2024 and 2023, and therefore, no amounts have been accrued.

Cash and Cash Equivalents

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

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 credit losses. For the years ended June 30, 2024 and 2023, the allowance for credit losses was \$8,425 and \$0, respectively.

Investments

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

Property and Equipment

The Foundation capitalizes all expenditures for property and equipment in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift, 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 years ended June 30, 2024 and 2023. 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.

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 statements of activities as net assets released from restrictions.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

Revenue Recognition, continued

Contributions, continued – 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 sponsorships, athletics game guarantees, ticket sales, and administrative fees. Sponsorships, athletic game guarantees, and ticket sales are recognized at a point in time when performance obligations are satisfied. Administrative fees are recognized when payments on contributions are received.

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. Some funds are used to accumulate expenses considered to be either general and administrative or fundraising in nature. Within those funds, 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 fundraising event expenses and bad debt, are presented as general and administrative and fundraising costs instead of program costs.

Advertising

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

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.

Certain financial instruments may be valued using net asset value (NAV) per share. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of shares outstanding or percentage ownership.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

Fair Value Measurements, continued

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, 2024 and 2023.

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

Mutual funds, common stock, and exchange traded funds – 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.

Subsequent Events

The Foundation has evaluated subsequent events through September 19, 2024, which is the date the financial statements were available to be issued and has determined that there were no subsequent events to recognize in these financial statements.

Note 2 - Liquidity and Availability

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 16,893,869	\$ 14,693,436
Promises to give, net	3,224,669	5,569,080
Due from related parties	15,862	516,890
Accounts receivable, net	1,430	3,171
Other current assets	3,503	2,631
Investments	42,008,842	35,960,422
Anticipated distributions from endowments	<u>1,448,504</u>	<u>1,334,615</u>
Total financial assets	63,596,679	58,080,245
Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	(57,651,224)	(52,998,424)
Board designations: quasi-endowment fund, primarily for long-term investing	<u>(4,965,707)</u>	<u>(4,327,923)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 979,748</u>	<u>\$ 753,898</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 2 - Liquidity and Availability, continued

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. At June 30, 2024, the Foundation had a quasi-endowment of \$4,965,707, of which \$2,341,741 was designated for general operations. At June 30, 2023, the Foundation had a quasi-endowment of \$4,327,923, of which \$2,114,800 was 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.

Three donors comprised 41% of promises to give at June 30, 2024 and 2023, respectively. Two donors comprised 59% and three donors comprised 60% of contributions for the years ended June 30, 2024 and 2023, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurement

Investments consist of the following as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Common stock	\$ 12,007,335	\$ -	\$ -	\$ -	\$ 12,007,335
Corporate bonds	-	1,242,621	-	-	1,242,621
Government securities:					
U.S. Treasury securities	662,406	-	-	-	662,406
U.S. Agency securities	-	165,976	-	-	165,976
Mutual funds:					
Nontraditional	563,131	-	-	-	563,131
Emerging markets	951,320	-	-	-	951,320
Fixed income	3,864,885	-	-	-	3,864,885
Exchange traded funds	14,178,193	-	-	-	14,178,193
Alternative investments:					
Hedge funds	-	-	-	3,172,646	3,172,646
Private equity	-	-	-	2,292,443	2,292,443
Private real estate	-	-	-	2,907,886	2,907,886
	<u>\$ 32,227,270</u>	<u>\$ 1,408,597</u>	<u>\$ -</u>	<u>\$ 8,372,975</u>	<u>\$ 42,008,842</u>

Commitments and redemptions schedule for those investments valued based on NAV as of June 30, 2024:

	<u>Fair Value</u> <u>June 30, 2024</u>	<u>Unfunded</u> <u>Commitment</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Ironwood Inst MS Hedge Fund [a]	\$ 792,403	none	semi-annually	95 calendar days
Hamilton Lane PMOF I [b]	1,296,511	225,153	none	none
Blackstone BREIT [c]	856,910	none	monthly	T-3 business days
Coatue Offshore Fund, Ltd. [d]	565,403	none	quarterly	45 calendar days
Starboard Value and Opportunity Fund [e]	565,724	none	quarterly	90 days
Schonfeld Fundamental Equity Fund [f]	741,024	none	quarterly	45 days
SEG Partners Offshore, Ltd. [g]	508,092	none	quarterly	60 days
HarbourVest Co-Investment VI LP [h]	612,768	97,500	none	none
Bridge Workforce & Affordable Housing [i]	477,085	79,942	none	none
PE Premier Lexington CP X Offshore [j]	288,191	376,648	none	none
Coller International Partners IX - F, L.P. [k]	94,973	494,916	none	none
Apollo Debt Solutions BDC [l]	793,432	none	quarterly	tender window
KKR Infrastructure Conglomerate LLC [m]	780,459	none	quarterly	purchase date

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurement, continued

[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] 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.

[f] 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.

[g] 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.

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

[i] 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.

[j] PE Premier Lexington CP X Offshore LP will seek to construct a globally diversified portfolio of secondary interest in established private investment funds across buyout, growth, and venture capital strategies at attractive discounts to market value while preserving capital and generating early and frequent cash distributions.

[k] Coller International Partners IX - F, L.P. seeks to execute on secondary transaction from across the secondary market, ranging from diversified LP-led transactions to complex direct and GP-led transactions.

[l] Apollo Debt Solutions BDC is a perpetual Non-Traded Business Development Company ("BDC"), whose securities are registered under the Securities Exchange Act of 1933 and elects to be regulated as a BDC under the Investment Company Act of 1940. The fund seeks to generate current income and, to a lesser extent, long-term capital appreciation by investing primarily in private loans and securities, mainly to large cap, private U.S. companies, and to a lesser extent, middle market U.S. and international companies.

[m] KKR Infrastructure Conglomerate LLC is a continuously offered U.S. Operating Company that seeks to acquire, own and control infrastructure assets through joint ventures across different infrastructure sectors in North America, Western Europe and Asia Pacific.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurement, continued

Investments consist of the following as of June 30, 2023:

	Level 1	Level 2	Level 3	NAV	Total
Common stock	\$ 10,583,953	\$ -	\$ -	\$ -	10,583,953
Corporate bonds	-	384,280	-	-	384,280
Government securities:					
U.S. Treasury securities	174,796	-	-	-	174,796
U.S. Agency securities	-	448,984	-	-	448,984
Mutual funds:					
Nontraditional	534,734	-	-	-	534,734
Emerging markets	826,806	-	-	-	826,806
Fixed income	3,839,085	-	-	-	3,839,085
Exchange traded funds	13,042,122	-	-	-	13,042,122
Alternative investments:					
Hedge funds	-	-	-	3,322,510	3,322,510
Private equity	-	-	-	1,604,632	1,604,632
Private real estate	-	-	-	1,198,520	1,198,520
	<u>\$ 29,001,496</u>	<u>\$ 833,264</u>	<u>\$ -</u>	<u>\$ 6,125,662</u>	<u>\$ 35,960,422</u>

Commitments and redemptions schedule for those investments valued based on NAV as of June 30, 2023:

	Fair Value June 30, 2023	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Ironwood Inst MS Hedge Fund [a]	\$ 723,721	none	semi-annually	95 calendar days
Hamilton Lane PMOF I [b]	1,275,955	288,312	none	none
Blackstone BREIT [c]	844,648	none	monthly	T-3 business days
Coatue Offshore Fund, Ltd. [d]	488,694	none	quarterly	45 calendar days
Brevan Howard Fund Limited [e]	481,122	none	monthly	90 days
Starboard Value and Opportunity Fund [f]	508,334	none	quarterly	90 days
Schonfeld Fundamental Equity Fund [g]	663,893	none	quarterly	45 days
SEG Partners Offshore, Ltd. [h]	456,746	none	quarterly	60 days
HarbourVest Co-Investment VI LP [i]	322,477	325,000	none	none
Bridge Workforce & Affordable Housing [j]	353,872	237,929	none	none
PE Premier Lexington CP X Offshore [k]	6,200	613,800	none	none

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurement, continued

[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] Brevan Howard Fund Limited is a multi-trader, discretionary global macro/relative value absolute return fund. The fund invests its capital across various underlying individual Brevan Howard funds, and also makes capital allocations directly to individual traders or strategies.

[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.

[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.

[k] PE Premier Lexington CP X Offshore LP will seek to construct a globally diversified portfolio of secondary interest in established private investment funds across buyout, growth, and venture capital strategies at attractive discounts to market value while preserving capital and generating early and frequent cash distributions.

Note 5 - Promises to Give

Promises to give consist of the following:

	<u>2024</u>		<u>2023</u>
Due in less than one year	\$ 2,333,983	\$	2,817,062
Due in one to five years	466,317		2,348,926
Due in more than five years	<u>670,000</u>		<u>672,000</u>
Gross promises to give	3,470,300		5,837,988
Less:			
Allowance for doubtful promises to give	(75,635)		(22,000)
Discount on promises to give (average imputed rate of 3%)	<u>(169,996)</u>		<u>(246,908)</u>
Promises to give, net	<u>\$ 3,224,669</u>	\$	<u>5,569,080</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 5 - Promises to Give, continued

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

	<u>2024</u>	<u>2023</u>
Current	\$ 2,258,348	\$ 2,795,062
Non-current	<u>966,321</u>	<u>2,774,018</u>
	<u>\$ 3,224,669</u>	<u>\$ 5,569,080</u>

Note 6 - Property and Equipment

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 1,570,589	\$ 1,571,775
Leasehold improvements	232,323	232,323
Improvements, other than buildings	72,963	72,963
Buildings and building improvements	<u>12,127</u>	<u>12,127</u>
	1,888,002	1,889,188
Less accumulated depreciation	<u>(1,862,847)</u>	<u>(1,857,281)</u>
	25,155	31,907
Land	<u>3,139</u>	<u>3,139</u>
	<u>\$ 28,294</u>	<u>\$ 35,046</u>

Note 7 - Defined Benefit Pension Plan

In previous years, the Foundation contributed to the Public Employees' Retirement System of the State of California (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public agencies in California. During the years ended June 30, 2024 and 2023, 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 actuarial studies performed as of June 30, 2024 and 2023:

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

Years Ended June 30, 2024 and 2023

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

Net periodic postretirement benefit cost included the following components:

	<u>2024</u>	<u>2023</u>
Service cost	\$ -	\$ -
Interest cost	36,544	33,128
Amortization net gain	<u>(108,336)</u>	<u>(117,667)</u>
Net periodic postretirement benefit cost	<u>\$ (71,792)</u>	<u>\$ (84,539)</u>

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

	<u>2024</u>	<u>2023</u>
Discount rate	4.75%	4.50%
Expected long-term rate of return	N/A	N/A
Health care cost trend rate:		
Present rate before 65	6.50%	6.75%
Present rate 65 and older	6.50%	6.75%
Ultimate rate before age 65 (year reached)	5.00%	5.00%
Ultimate rate age 65 and older (year reached)	5.00%	5.00%

Accumulated postretirement and projected benefit obligation:

	<u>2024</u>	<u>2023</u>
Retirees	\$ <u>778,666</u>	\$ <u>803,395</u>

Funded status:

	<u>2024</u>	<u>2023</u>
Beginning accrued postretirement benefit obligation	\$ 803,395	\$ 765,534
Actuarial loss	114,781	182,996
Retiree contributions:		
Net periodic postretirement cost	(71,792)	(84,539)
Estimated benefit payments	<u>(67,718)</u>	<u>(60,596)</u>
Ending accrued postretirement benefit obligation	<u>\$ 778,666</u>	<u>\$ 803,395</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

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

	<u>2024</u>	<u>2023</u>
Discount rate	5.25%	4.75%
Health care cost trend rate:		
Present rate before 65	8.00%	6.50%
Present rate 65 and older	6.50%	5.00%
Ultimate rate before age 65 (year reached)	4.50%	5.00%
Ultimate rate age 65 and older (year reached)	4.50%	5.00%

The expected net periodic postretirement benefit cost for fiscal year ending June 30, 2025:

Service cost	\$	-
Interest cost		39,196
Amortization of unrecognized net gain		<u>(105,150)</u>
Net periodic postretirement benefit costs	\$	<u><u>(65,954)</u></u>

The expected contribution for the next 10 years:

2025	\$	64,966
2026		66,886
2027		68,538
2028		69,924
2029		58,012
2030-2034		282,558

An actuarial study is completed annually. The schedule presented above is based on the study completed on July 26, 2024, as of and for the year then ended June 30, 2024.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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:

	<u>2024</u>	<u>2023</u>
Purpose restrictions:		
Promises to give:		
Academic programs	\$ 1,515,622	\$ 2,731,271
Scholarships	320,090	661,632
Athletic programs	122,800	148,729
Academic programs	14,961,692	13,140,442
Athletic programs	1,692,813	1,615,379
Scholarships	1,268,685	1,866,640
	<u>19,881,702</u>	<u>20,164,093</u>
Endowments:		
Promises to give:		
Academic programs	892,682	1,730,451
Athletic programs	204,478	201,478
Scholarships	168,997	95,519
Academic programs	19,381,979	15,248,410
Scholarships	16,362,596	14,852,975
Athletic programs	758,790	705,498
	<u>37,769,522</u>	<u>32,834,331</u>
	<u>\$ 57,651,224</u>	<u>\$ 52,998,424</u>

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

	<u>2024</u>	<u>2023</u>
Satisfaction of time and purpose restrictions:		
Scholarships	\$ 1,798,946	\$ 1,426,212
Academic programs	1,702,939	1,801,962
Athletic programs	807,502	2,547,460
	<u>4,309,387</u>	<u>5,775,634</u>
Satisfaction of time restrictions:		
General use	-	7,560
	<u>\$ 4,309,387</u>	<u>\$ 5,783,194</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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.

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.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 10 - Endowments, continued

The endowment net assets composition by type of fund consisted of the following as of June 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 4,965,707	\$ -	\$ 4,965,707
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	30,785,276	30,785,276
Accumulated investment gains	-	6,984,246	6,984,246
	<u>\$ 4,965,707</u>	<u>\$ 37,769,522</u>	<u>\$ 42,735,229</u>

The endowment net assets composition by type of fund consisted of the following as of June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 4,327,923	\$ -	\$ 4,327,923
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	27,937,405	27,937,405
Accumulated investment gains	-	4,896,926	4,896,926
	<u>\$ 4,327,923</u>	<u>\$ 32,834,331</u>	<u>\$ 37,162,254</u>

The changes in endowment net assets for the year ended June 30, 2024, consisted of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 4,327,923	\$ 32,834,331	\$ 37,162,254
Contributions	-	2,847,871	2,847,871
Appropriated expenditures	(80,409)	(1,434,181)	(1,514,590)
Investment return, net	718,193	3,521,501	4,239,694
Endowment net assets, end of year	<u>\$ 4,965,707</u>	<u>\$ 37,769,522</u>	<u>\$ 42,735,229</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 10 - Endowments, continued

The changes in endowment net assets for the year ended June 30, 2023, consisted of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 4,076,274	\$ 31,020,465	\$ 35,096,739
Contributions	-	1,056,492	1,056,492
Appropriated expenditures	(142,825)	(1,374,155)	(1,516,980)
Investment return, net	<u>394,474</u>	<u>2,131,529</u>	<u>2,526,003</u>
Endowment net assets, end of year	<u>\$ 4,327,923</u>	<u>\$ 32,834,331</u>	<u>\$ 37,162,254</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. These deficiencies result from unfavorable market fluctuations. Deficiencies of this nature exist in one donor designated endowment fund, which has an original gift value of \$160,550, a current fair value of \$150,246, and a deficiency of \$10,304 as of June 30, 2024. Deficiencies of this nature exist in four donor designated endowment funds, which together have an original gift value of \$1,070,585, a current fair value of \$1,040,422, and a deficiency of \$30,163 as of June 30, 2023.

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 \$5,587 and \$27,308 from underwater endowment funds during the years ended June 30, 2024 and 2023, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 11 - Contributed Nonfinancial Assets

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities include:

	<u>2024</u>	<u>2023</u>
University contract services:		
University employee services:		
Fundraising services	\$ 1,149,247	\$ 1,990,405
General and administrative services	1,052,829	1,085,879
Alumni	107,789	-
Rent of University facilities:		
Fundraising services	30,990	62,308
General and administrative services	28,390	33,992
Alumni	<u>2,906</u>	<u>-</u>
	2,372,151	3,172,584
Other supplies and services:		
Services	30,000	46,905
Auction items	20,595	5,860
Supplies	5,920	31,312
Gift cards	200	1,391
Food and beverage	<u>-</u>	<u>33,750</u>
	<u>56,715</u>	<u>119,218</u>
Total contributed nonfinancial assets	\$ <u><u>2,428,866</u></u>	\$ <u><u>3,291,802</u></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 services, auction items, supplies, gift cards, and food and beverage. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

University contract services include facilities and University employees who provide direct supporting services for the Foundation. University employees provide services such as fundraising, accounting, and general and 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 has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

During the year ended June 30, 2024, the University contract service methodology and factors determining whether an employees' service provided a direct benefit to advancement/fundraising efforts was re-evaluated. As part of the re-evaluation, it was determined that certain employees' service was not directly related to advancement/fundraising efforts and therefore has been excluded. The change in University contract services as of June 30, 2024 compared to June 30, 2023 is a result of a change in accounting estimate based on the new methodology and factors.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 11 - Contributed Nonfinancial Assets, continued

Contributed nonfinancial assets identified as other supplies and services contributions were utilized by the Athletics, Academic Support, Alumni, and Student Affairs programs. In valuing auction items, supplies, gift cards, and food and beverage, 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 utilized by the Athletics program and consulting services utilized by the Academic Support program. These services are valued and reported at the estimated fair value based on current rates for similar professional services.

Note 12 - Transactions with Related Parties

The Foundation functions to benefit the University by fundraising and supporting University programs and activities. Payments received from the University are for refunds of capital project funding, reimbursement of costs related to historical fund balances, and transfer of funds when receipts are received by the University on behalf of the Foundation, or an expense is incurred by the Foundation on behalf of the University. The Foundation provides scholarships to students and funding for capital projects, which are recognized as payments to the University. Additionally, the Foundation reimburses the University for various administrative services incurred to carry out the mission of the Foundation.

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. Payments received from Sponsored Programs Administration include reimbursement for cost incurred through a historical grant fund that were cleared by Sponsored Programs Administration as well as reimbursement to Foundation for expenses paid on behalf of Sponsored Programs Administration. Payments to Sponsored Programs Administration are for the reimbursement of expenses incurred by Sponsored Programs Administration on behalf of the Foundation.

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 for fundraising activities benefiting University programs and activities. Payments to Associated Students include reimbursement for scholarship payments and support for Associated Students programs and services.

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. Payments received from Student-centered Enterprises are for fundraising activities benefiting University programs and activities. Payments to Student-centered Enterprises are for the use of Student-centered Enterprises programming facilities and equipment, as well as the general support of Student-centered Enterprises programming activities.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 12 - Transactions with Related Parties, continued

Transfers with related parties for the years ended June 30, 2024 and 2023, are reflected in the accompanying financial statements as follows:

	<u>2024</u>	<u>2023</u>
Transfers from:		
University	\$ <u>4,839</u>	\$ <u>209,739</u>
Transfers to:		
University	\$ 266,759	\$ 2,021,853
Sponsored Programs Administration	2,500	-
Associated Students	<u>5,700</u>	<u>909</u>
	\$ <u>274,959</u>	\$ <u>2,022,762</u>

Additionally, for the year ended June 30, 2023, the Foundation recorded \$1,281,538 in transfers from the University and Sponsored Programs Administration as non-operating revenues on the statements of activities. These transfers relate to reimbursement of costs for historical fund balances.

Total payments to and from related parties for the years ended June 30, 2024 and 2023 are reflected in the schedule below. The above transfers with related parties are included in the following schedule unless the activity is a result of a non-exchange capital asset transfer.

	<u>2024</u>	<u>2023</u>
Payments from:		
University	\$ 105,613	\$ 1,286,067
Sponsored Programs Administration	53,124	374,633
Associated Students	1,595	395
Student-centered Enterprises	<u>7,006</u>	<u>3,842</u>
	\$ <u>167,338</u>	\$ <u>1,664,937</u>
Payments to:		
University	\$ 2,706,381	\$ 3,811,153
Sponsored Programs Administration	7,032	905
Associated Students	369,161	404,960
Student-centered Enterprises	<u>15,739</u>	<u>5,676</u>
	\$ <u>3,098,313</u>	\$ <u>4,222,694</u>

For the years ended June 30, 2024 and 2023, the Foundation also recorded University contract services revenue and expense in the amount of \$2,372,151 and \$3,172,584, respectively, as noted in Note 11.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 12 - Transactions with Related Parties, continued

Amounts reported in the statements of financial position at June 30, 2024 and 2023 as due from and due to related parties include the following:

	<u>2024</u>	<u>2023</u>
Due from related parties:		
University	\$ 14,916	\$ 159,346
Sponsored Programs Administration	946	357,464
Associated Students	-	80
	<u>\$ 15,862</u>	<u>\$ 516,890</u>
Due to related parties:		
University	\$ 256,696	\$ 135,459
Sponsored Programs Administration	350	-
Associated Students	-	17,028
Student-centered Enterprises	8,502	1,230
	<u>\$ 265,548</u>	<u>\$ 153,717</u>

Note 13 - Conditional Contributions

Conditional contributions consisted of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Student scholarships	\$ -	\$ 1,270,000
Other programs	796,305	104,860
	<u>\$ 796,305</u>	<u>\$ 1,374,860</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 \$796,305 and \$1,374,860 conditional portions of contributions have not been recognized in the statements of activities for the years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, \$5,600 and \$75,880, respectively, of conditional contributions have been collected in advance, and are reported as revenue collected in advance on the statements 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, as present value cannot be determined.

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	16,893,869
Short-term investments	-
Accounts receivable, net	17,292
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	2,258,348
Prepaid expenses and other current assets	3,503
Total current assets	19,173,012

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	966,321
Endowment investments	40,614,264
Other long-term investments	1,394,578
Capital assets, net	110,464
Other assets	-
Total noncurrent assets	43,085,627
Total assets	62,258,639

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	-

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Schedule of Net Position, continued

June 30, 2024

(for inclusion in the California State University)

Liabilities:

Current liabilities:

Accounts payable	192,518
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	5,600
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	276,833
Total current liabilities	474,951

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	778,666
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	778,666
Total liabilities	1,253,617

Deferred inflows of resources:

P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	-

Net position:

Net investment in capital assets	110,464
Restricted for:	
Nonexpendable – endowments	30,785,276
Expendable:	
Scholarships and fellowships	5,914,677
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	20,941,142
Unrestricted	3,253,463
Total net position	61,005,022

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross

-

Scholarship allowances

-

Grants and contracts, noncapital:

Federal

-

State

-

Local

-

Nongovernmental

-

Sales and services of educational activities

-

Sales and services of auxiliary enterprises, gross

-

Scholarship allowances

-

Other operating revenues

3,511,823

Total operating revenues

3,511,823

Expenses:

Operating expenses:

Instruction

-

Research

-

Public service

-

Academic support

1,369,589

Student services

1,143,212

Institutional support

3,624,985

Operation and maintenance of plant

-

Student grants and scholarships

1,637,870

Auxiliary enterprise expenses

-

Depreciation and amortization

6,752

Total operating expenses

7,782,408

Operating income (loss)

(4,270,585)

Nonoperating revenues (expenses):

State appropriations, noncapital

-

Federal financial aid grants, noncapital

-

State financial aid grants, noncapital

-

Local financial aid grants, noncapital

-

Nongovernmental and other financial aid grants, noncapital

-

Other federal nonoperating grants, noncapital

-

Gifts, noncapital

2,366,209

Investment income (loss), net

185,816

Endowment income (loss), net

4,239,694

Interest expense

-

Other nonoperating revenues (expenses)

-

Net nonoperating revenues (expenses)

6,791,719

Income (loss) before other revenues (expenses)

2,521,134

State appropriations, capital

-

Grants and gifts, capital

-

Additions (reductions) to permanent endowments

2,847,871

Increase (decrease) in net position

5,369,005

Net position:

Net position at beginning of year, as previously reported

55,636,017

Restatements

-

Net position at beginning of year, as restated

55,636,017

Net position at end of year

61,005,022

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2024

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	<u>16,893,869</u>
Current cash and cash equivalents	-
Total	<u>\$ 16,893,869</u>

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	165,976	165,976
U.S. treasury securities	-	662,406	662,406
Municipal bonds	-	-	-
Corporate bonds	-	1,242,621	1,242,621
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	5,379,336	5,379,336
Exchange traded funds	-	14,178,193	14,178,193
Equity securities	-	12,007,335	12,007,335
Alternative investments:			
Private equity (including limited partnerships)	-	2,292,443	2,292,443
Hedge funds	-	3,172,646	3,172,646
Managed futures	-	-	-
Real estate investments (including REITs)	-	2,907,886	2,907,886
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
Total Other investments	-	-	-
Total investments	<u>-</u>	<u>42,008,842</u>	<u>42,008,842</u>
Less endowment investments (enter as negative number)	-	(40,614,264)	(40,614,264)
Total investments, net of endowments	<u>\$ -</u>	<u>1,394,578</u>	<u>1,394,578</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2024

(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	165,976	-	165,976	-	-
U.S. treasury securities	662,406	662,406	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	1,242,621	-	1,242,621	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	5,379,336	5,379,336	-	-	-
Exchange traded funds	14,178,193	14,178,193	-	-	-
Equity securities	12,007,335	12,007,335	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	2,292,443	-	-	-	2,292,443
Hedge funds	3,172,646	-	-	-	3,172,646
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	2,907,886	-	-	-	2,907,886
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Total other investments:	-	-	-	-	-
Total investments	\$ 42,008,842	\$ 32,227,270	\$ 1,408,597	\$ -	\$ 8,372,975

2.3 Investments held by the University under contractual agreements:

Not Applicable

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2023 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2024
Non-depreciable/Non-amortizable capital assets:									
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	6,000	-	-	-	6,000	-	-	-	6,000
Total Other intangible assets	6,000	-	-	-	6,000	-	-	-	6,000
Total intangible assets	6,000	-	-	-	6,000	-	-	-	6,000
Total non-depreciable/non-amortizable capital assets	85,309	-	-	-	85,309	-	-	-	85,309

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

Depreciable/Amortizable capital assets:									
Buildings and building improvements	12,127	-	-	-	12,127	-	-	-	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	-	(1,186)	-	1,570,589
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
Total intangible assets	129,093	-	-	-	129,093	-	-	-	129,093
Total depreciable/amortizable capital assets	2,018,281	-	-	-	2,018,281	-	(1,186)	-	2,017,095
Total capital assets	2,103,590	-	-	-	2,103,590	-	(1,186)	-	2,102,404

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

Buildings and building improvements	(12,127)	-	-	-	(12,127)	-	-	-	(12,127)
Improvements, other than buildings	(51,834)	-	-	-	(51,834)	(3,648)	-	-	(55,482)
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(232,323)	-	-	-	(232,323)	-	-	-	(232,323)
Personal property:									
Equipment	(1,560,997)	-	-	-	(1,560,997)	(3,104)	1,186	-	(1,562,915)
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)
Total intangible assets	(129,093)	-	-	-	(129,093)	-	-	-	(129,093)
Total accumulated depreciation/amortization	(1,986,374)	-	-	-	(1,986,374)	(6,752)	1,186	-	(1,991,940)
Total capital assets, net excluding ROU assets	\$ 117,216	-	-	-	117,216	(6,752)	-	-	110,464

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

Capital Assets, Right of Use

Composition of lease assets:	Balance June 30, 2023	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - SBITA ROU, net	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Depreciable/Amortizable SBITA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

Composition of capital assets - P3 ROU, net:	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-
Total capital assets, net including ROU assets									110,464
3.2 Detail of depreciation and amortization expense:									
Depreciation and amortization expense - capital assets, excluding ROU assets	\$	6,752							
Amortization expense - Leases ROU		-							
Amortization expense - SBITA ROU		-							
Amortization expense - P3 ROU		-							
Depreciation and Amortization expense - Others		-							
Total depreciation and amortization	\$	6,752							
4 Long-term liabilities:		Not Applicable							
5 Future minimum payments schedule - leases, SBITA, P3:		Not Applicable							
6 Future minimum payments schedule - Long-term debt obligations:		Not Applicable							

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

7 Transactions with related entities:	
Payments to University for salaries of University personnel working on contracts, grants, and other programs	709,047
Payments to University for other than salaries of University personnel	1,997,334
Payments received from University for services, space, and programs	105,613
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	(256,696)
Other amounts (payable to) University	-
Accounts receivable from University	14,916
Other amounts receivable from University	-

8 Restatements: Not Applicable

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	422,123	11,057	-	-	-	936,409	-	1,369,589
Student services	408,817	47,087	-	43,368	-	643,940	-	1,143,212
Institutional support	2,335	163,727	-	-	-	3,458,923	-	3,624,985
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	1,637,870	-	-	1,637,870
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	6,752	6,752
Total operating expenses	\$ 833,275	221,871	-	43,368	1,637,870	5,039,272	6,752	7,782,408

No pension plan reported N/A

10 Deferred outflows/inflows of resources: Not Applicable

11 Other nonoperating revenues (expenses): Not Applicable

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, 2024, 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 19, 2024.

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 19, 2024

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

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

Years Ended June 30, 2024 and 2023



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

Financial Statements with Supplemental Information

Years Ended June 30, 2024 and 2023

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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 statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Bakersfield Student-centered Enterprises, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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. 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 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 16-24 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 19, 2024, 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 19, 2024

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

June 30, 2024 and 2023

ASSETS	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash	\$ 3,554,610	\$ 3,451,871
Accounts receivable	9,200	3,118
Due from related parties	<u>49,703</u>	<u>34,179</u>
Total Current Assets	3,613,513	3,489,168
Property and Equipment, net of accumulated depreciation	557,875	645,669
Right-of-Use Assets, net of accumulated amortization	<u>11,445</u>	<u>21,621</u>
Total Assets	<u>\$ 4,182,833</u>	<u>\$ 4,156,458</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 137,540	\$ 305,029
Due to related parties	86,297	133,966
Current portion of operating lease liabilities	<u>10,549</u>	<u>10,176</u>
Total Current Liabilities	234,386	449,171
Operating Lease Liabilities, net of current portion	<u>896</u>	<u>11,445</u>
Total Liabilities	235,282	460,616
Net Assets - Without Donor Restrictions	<u>3,947,551</u>	<u>3,695,842</u>
Total Liabilities and Net Assets	<u>\$ 4,182,833</u>	<u>\$ 4,156,458</u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue and Support Without Donor Restrictions:		
University contract services (Note 6)	\$ 4,599,422	\$ 4,366,517
Program activity fees	1,423,200	1,112,000
Facility rental	181,589	159,518
Membership fees	89,610	78,172
Other operating revenues	<u>67,902</u>	<u>70,451</u>
 Total Revenue and Support Without Donor Restrictions	 6,361,723	 5,786,658
 Expenses:		
Program services:		
Student Union	1,022,267	938,708
Campus Recreation and Wellbeing	3,631,600	3,528,751
Student Housing and Residential Life	976,640	810,257
Supporting services - general and administrative	<u>479,507</u>	<u>436,033</u>
 Total Expenses	 <u>6,110,014</u>	 <u>5,713,749</u>
 Operating Income	 251,709	 72,909
 Other Non-Operating Expense	 <u>-</u>	 <u>(219,092)</u>
 Change in Net Assets	 251,709	 (146,183)
 Net Assets - Without Donor Restrictions, beginning	 <u>3,695,842</u>	 <u>3,842,025</u>
 Net Assets - Without Donor Restrictions, ending	 <u>\$ 3,947,551</u>	 <u>\$ 3,695,842</u>

See accompanying notes to financial statements.

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

Statements of Functional Expenses

Year Ended June 30, 2024

	Program Services				General and Administrative	Total
	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total		
University contract expenses (Note 6)	\$ 880,142	\$ 2,765,568	\$ 628,928	\$ 4,274,638	\$ 324,784	\$ 4,599,422
Utilities	49,123	500,944	243,157	793,224	81,053	874,277
Supplies and contract services	84,621	116,331	21,387	222,339	1,613	223,952
Depreciation	-	151,445	-	151,445	-	151,445
Transfers to related parties	-	-	57,139	57,139	-	57,139
Information technology	-	27,413	4,405	31,818	12,743	44,561
Travel	6,703	19,683	3,411	29,797	-	29,797
Accounting	-	-	-	-	25,700	25,700
Insurance	-	-	-	-	19,808	19,808
Advertising and promotion	-	15,080	-	15,080	-	15,080
Minor equipment	-	10,334	1,470	11,804	-	11,804
Conference, conventions, and meetings	-	9,825	1,250	11,075	-	11,075
Amortization, ROU Asset - lease expense	-	-	10,788	10,788	-	10,788
Bank fees	-	-	-	-	10,140	10,140
Office expense	1,174	2,613	4,690	8,477	-	8,477
Dues and subscriptions	-	3,431	-	3,431	3,583	7,014
Miscellaneous	402	8,710	15	9,127	83	9,210
Repairs and maintenance	102	223	-	325	-	325
Total Expenses	\$ 1,022,267	\$ 3,631,600	\$ 976,640	\$ 5,630,507	\$ 479,507	\$ 6,110,014

See accompanying notes to financial statements.

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

Statements of Functional Expenses

Year Ended June 30, 2023

	Program Services				General and Administrative	Total
	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total		
University contract expenses (Note 6)	\$ 820,992	\$ 2,702,871	\$ 551,389	\$ 4,075,252	\$ 291,265	\$ 4,366,517
Utilities	45,449	433,562	211,673	690,684	70,558	761,242
Supplies and contract services	63,594	130,792	26,514	220,900	5,617	226,517
Depreciation	-	154,508	-	154,508	-	154,508
Information technology	-	25,779	5,030	30,809	13,129	43,938
Minor equipment	2,655	35,217	-	37,872	-	37,872
Accounting	-	-	-	-	27,000	27,000
Travel	3,601	16,758	1,741	22,100	-	22,100
Advertising and promotion	-	16,247	-	16,247	-	16,247
Insurance	-	-	-	-	15,357	15,357
Amortization, ROU Asset - lease expense	-	-	9,816	9,816	-	9,816
Office expense	2,417	2,454	3,771	8,642	-	8,642
Conference, conventions, and meetings	-	5,130	-	5,130	2,530	7,660
Bank fees	-	-	-	-	6,776	6,776
Dues and subscriptions	-	3,014	-	3,014	3,378	6,392
Miscellaneous	-	1,878	300	2,178	423	2,601
Repairs and maintenance	-	541	23	564	-	564
Total Expenses	\$ 938,708	\$ 3,528,751	\$ 810,257	\$ 5,277,716	\$ 436,033	\$ 5,713,749

See accompanying notes to financial statements.

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

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 251,709	\$ (146,183)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	151,445	154,508
Loss on disposal of equipment	-	5,456
Changes in operating assets and liabilities:		
Accounts receivable	(6,082)	(2,386)
Due from related parties	(15,524)	651,324
Accounts payable and accrued expenses	(167,489)	(9,793)
Due to related parties	(47,669)	(108,022)
Net Cash Provided by Operating Activities	<u>166,390</u>	<u>544,904</u>
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	<u>(63,651)</u>	<u>(24,791)</u>
Net Increase in Cash	102,739	520,113
Cash, beginning	<u>3,451,871</u>	<u>2,931,758</u>
Cash, ending	\$ <u><u>3,554,610</u></u>	\$ <u><u>3,451,871</u></u>
Supplemental Disclosures of Noncash Investing and Financing Activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ <u><u>-</u></u>	\$ <u><u>31,437</u></u>

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield Student-centered Enterprises, Inc. (the 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; 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.

The Organization previously managed a Children's center on campus to provide daycare services to students attending California State University, Bakersfield. As of June 30, 2023, programming activities previously covered under the Organization have been discontinued.

New Accounting Standard

Effective July 1, 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This update requires the use of a forward-looking expected credit loss model for instruments within its scope, including accounts receivable, and replaces the previous incurred loss impairment model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Management has analyzed provisions contained in Topic 326 and determined that there is no impact on net assets as of July 1, 2023, due to the adoption of the new policy.

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 years ended June 30, 2024 and 2023.

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.

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

Income Taxes, continued

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 years ended June 30, 2024 and 2023, and therefore, no amounts have been accrued.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish a price concession for uncollectible amounts. For the years ended June 30, 2024 and 2023, 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.

Leases

The Organization adheres to the accounting standard for leases, which provides detailed guidance for financial statement recognition, measurement, and disclosure of leases.

The Organization determines if an arrangement is or contains a lease at contract inception. The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date.

Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

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.

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.

Subsequent Events

The Organization has evaluated subsequent events through September 19, 2024, which is the date the financial statements were available to be issued and has determined that there were no subsequent events to recognize in these financial statements.

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 2 - Liquidity and Availability

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

	<u>2024</u>	<u>2023</u>
Cash	\$ 3,554,610	\$ 3,451,871
Accounts receivable	9,200	3,118
Due from related parties	<u>49,703</u>	<u>34,179</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,613,513</u>	<u>\$ 3,489,168</u>

The Organization is substantially supported by program activity fees collected by the University and are subsequently transferred to the Organization for programming services. 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.

Note 4 - Property and Equipment

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 1,258,863	\$ 1,200,779
Improvements, other than buildings	<u>424,297</u>	<u>424,297</u>
	1,683,160	1,625,076
Less accumulated depreciation	<u>(1,125,285)</u>	<u>(979,407)</u>
	<u>\$ 557,875</u>	<u>\$ 645,669</u>

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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 years ended June 30, 2024 and 2023, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

	<u>2024</u>	<u>2023</u>
University employee services:		
Programming services	\$ 2,820,377	\$ 2,628,086
General and administrative services	324,784	291,265
University supplies	41,061	33,966
Rent of University facilities	<u>1,413,200</u>	<u>1,413,200</u>
Total University contract services	<u>\$ 4,599,422</u>	<u>\$ 4,366,517</u>

The Organization recognized contributed nonfinancial assets within revenue including contributed University employee services, supplies 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. Supplies utilized by these employees for programming events and activities have also been recorded as a contributed nonfinancial asset. 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 valued supplies based on comparable sales prices.

The Organization uses University facilities to provide programming activities and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 7 - 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 for receipts for the use of the Organization's programming facilities and equipment. Payments to Associated Students are to support student body programs and services.

California State University, Bakersfield Auxiliary for Sponsored Programs Administration (Sponsored Programs Administration) functions to benefit the student body of the University by administering grants on behalf of the Organization. Payments received from Sponsored Programs Administration include receipts for the use of the Organization's programming facilities and equipment.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Notes to Financial Statements**Years Ended June 30, 2024 and 2023

Note 7 - Related Party Transactions, continued

Related party transactions as of and for the years ended June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Payments received from:		
University	\$ 1,512,679	\$ 1,198,988
Sponsored Programs Administration	58,600	43,755
Foundation	15,739	5,676
Associated Students	<u>16,298</u>	<u>12,991</u>
	<u>\$ 1,603,316</u>	<u>\$ 1,261,410</u>
Payments to:		
University	\$ 890,068	\$ 862,538
Foundation	7,006	3,680
Associated Students	<u>9,000</u>	<u>10,000</u>
	<u>\$ 906,074</u>	<u>\$ 876,218</u>
Due from related parties:		
University	\$ 32,233	\$ 27,253
Sponsored Programs Administration	6,150	-
Foundation	8,502	1,230
Associated Students	<u>2,818</u>	<u>5,696</u>
	<u>\$ 49,703</u>	<u>\$ 34,179</u>
Due to related parties:		
University	<u>\$ 86,297</u>	<u>\$ 133,966</u>

In addition to the related party transactions noted above, the Organization also recorded University contract services revenue and expense in the amount of \$4,599,422 and \$4,366,517 at June 30, 2024 and 2023, respectively. See Note 6.

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 8 - Leasing Arrangements

The Organization leases equipment under a long-term non-cancelable operating lease agreement. Base monthly rental payments were \$899 as of June 30, 2024.

The Organization determines if an arrangement is or contains a lease at contract inception. The Organization recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. Key estimates and judgments include how the Organization determines the discount rate, the lease term, and the lease payments.

When the discount rate implicit in a lease is not readily determinable, the Organization calculates the lease liability using the incremental borrowing rate, which is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. These are estimated using actual borrowing costs and making necessary adjustments.

The following summarizes the operating and finance right-of-use assets as of June 30, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
<u>Operating Leases</u>		
Operating lease right-of-use assets	\$ 11,445	\$ 21,621
Current portion of operating lease liabilities	\$ 10,549	\$ 10,176
Operating lease liabilities, net of current portion	896	11,445
Total operating lease liabilities	\$ 11,445	\$ 21,621

The amounts contractually due on lease liabilities were as follows as of June 30, 2024:

Year Ending <u>June 30,</u>	<u>Operating</u>
2025	\$ 10,788
2026	899
Total lease payments	11,687
Less amount representing imputed interest	(242)
Present value of lease liabilities	\$ 11,445

Lease expense for the year ended June 30, 2024 and 2023, was \$10,788 and \$9,816.

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

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 8 - Leasing Arrangements, continued

As of June 30, 2024, and 2023, supplemental cash flow information was as follows:

	<u>2024</u>		<u>2023</u>
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 10,176	\$	9,816
Lease assets obtained in exchange for lease liabilities:			
Operating leases	\$ -	\$	31,437

Supplemental statement of financial position information was as follows as of June 30:

	<u>2024</u>		<u>2023</u>
Weighted average remaining lease term - Operating leases	1.1		2.1
Weighted average discount rate - Operating leases	3.61%		3.61%

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 - Other Non-Operating Expense

The Organization previously managed a Children's Center on campus to provide daycare services to students attending California State University, Bakersfield. During the year ended June 30, 2023, programming activities for the Children's Center were discontinued. As a result of the change in the Organization's operations, unspent funds of \$219,092 were transferred back to Associated Students. This was recorded as other non-operating expense for the year end June 30, 2023, on the statement of activities.

SUPPLEMENTAL INFORMATION

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

Schedules of Activities by Enterprise

Year Ended June 30, 2024

	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Children's Center	Total
Unrestricted Revenue and Other Support:					
University contract services (Note 6)	\$ 1,032,832	\$ 2,855,362	\$ 711,228	\$ -	\$ 4,599,422
Program activity fees	195,200	862,600	365,400	-	1,423,200
Facility rental	60,735	120,854	-	-	181,589
Membership fees	-	89,610	-	-	89,610
Other operating revenues	750	28,701	38,451	-	67,902
Total Revenue and Support Without Donor Restrictions	1,289,517	3,957,127	1,115,079	-	6,361,723
Expenses:					
Program services	1,022,267	3,631,600	976,640	-	5,630,507
Supporting services - general and administrative	174,327	127,891	176,832	457	479,507
Total operating expenses	1,196,594	3,759,491	1,153,472	457	6,110,014
Change in Net Assets	92,923	197,636	(38,393)	(457)	251,709
Net Assets (Deficit) - Without Donor Restrictions, beginning	1,516,165	2,229,143	(49,923)	457	3,695,842
Net Assets (Deficit) - Without Donor Restrictions, ending	\$ 1,609,088	\$ 2,426,779	\$ (88,316)	\$ -	\$ 3,947,551

See independent auditor's report.

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

Schedules of Activities by Enterprise

Year Ended June 30, 2023

	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Children's Center	Total
Unrestricted Revenue and Other Support:					
University contract services (Note 6)	\$ 956,225	\$ 2,780,704	\$ 629,588	\$ -	\$ 4,366,517
Program activity fees	148,900	574,100	389,000	-	1,112,000
Facility rental	39,186	120,332	-	-	159,518
Membership fees	-	78,172	-	-	78,172
Other operating revenues	-	32,600	37,851	-	70,451
	<u>1,144,311</u>	<u>3,585,908</u>	<u>1,056,439</u>	<u>-</u>	<u>5,786,658</u>
Total Revenue and Support Without Donor Restrictions	1,144,311	3,585,908	1,056,439	-	5,786,658
Expenses:					
Program services	938,708	3,528,751	810,257	-	5,277,716
Supporting services - general and administrative	158,868	114,214	162,829	122	436,033
	<u>1,097,576</u>	<u>3,642,965</u>	<u>973,086</u>	<u>122</u>	<u>5,713,749</u>
Total Expenses	1,097,576	3,642,965	973,086	122	5,713,749
Other Non-Operating Expense	-	-	-	(219,092)	(219,092)
Change in Net Assets	46,735	(57,057)	83,353	(219,214)	(146,183)
Net Assets (Deficit) - Without Donor Restrictions, beginning	<u>1,469,430</u>	<u>2,286,200</u>	<u>(133,276)</u>	<u>219,671</u>	<u>3,842,025</u>
Net Assets (Deficit) - Without Donor Restrictions, ending	<u>\$ 1,516,165</u>	<u>\$ 2,229,143</u>	<u>\$ (49,923)</u>	<u>\$ 457</u>	<u>\$ 3,695,842</u>

See independent auditor's report.

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

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	3,554,610
Short-term investments	-
Accounts receivable, net	58,903
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-

Total current assets

3,613,513

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	569,320
Other assets	-

Total noncurrent assets

569,320

Total assets

4,182,833

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-

Total deferred outflows of resources

-

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

June 30, 2024

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	137,540
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	10,549
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	86,297

Total current liabilities234,386**Noncurrent liabilities:**

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	896
SBITA liabilities, net of current portion	-
P3 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 liabilities896**Total liabilities**235,282**Deferred inflows of resources:**

P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-

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

Net investment in capital assets	557,875
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	3,389,676

Total net position3,947,551

See independent auditor's report.

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

Year Ended June 30, 2024

(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	-
Scholarship allowances	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances	-
Other operating revenues	6,361,723
Total operating revenues	6,361,723
Expenses:	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	4,804,640
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	1,153,929
Depreciation and amortization	151,445
Total operating expenses	6,110,014
Operating income (loss)	251,709
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)	251,709
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	251,709
Net position:	
Net position at beginning of year, as previously reported	3,695,842
Restatements	-
Net position at beginning of year, as restated	3,695,842
Net position at end of year	3,947,551

See independent auditor's report.

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

Other Information

June 30, 2024

(for inclusion in the California State University)

1 Cash and cash equivalents:	
Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	-
Current cash and cash equivalents	3,554,610
Total	\$ 3,554,610

2.1 Composition of investments: Not Applicable

2.2 Fair value hierarchy in investments: Not Applicable

2.3 Investments held by the University under contractual agreements: Not Applicable

3.1 Composition of capital assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2023 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2024
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ -	-	-	-	\$ -	-	-	-	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-	-
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	-	-	-	\$ -	-	-	-	\$ -
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	379,360	-	-	-	379,360	-	-	-	379,360
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	44,937	-	-	-	44,937	-	-	-	44,937
Personal property:									
Equipment	1,200,779	-	-	-	1,200,779	63,651	(5,567)	-	1,258,863
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	1,625,076	-	-	-	1,625,076	63,651	(5,567)	-	1,683,160
Total capital assets	1,625,076	-	-	-	1,625,076	63,651	(5,567)	-	1,683,160
Less accumulated depreciation/amortization:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	(346,166)	-	-	-	(346,166)	(33,194)	-	-	(379,360)
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(28,330)	-	-	-	(28,330)	(4,689)	-	-	(33,019)
Personal property:									
Equipment	(604,911)	-	-	-	(604,911)	(113,562)	5,567	-	(712,906)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(979,407)	-	-	-	(979,407)	(151,445)	5,567	-	(1,125,285)
Total capital assets, net excluding ROU assets	\$ 645,669	-	-	-	\$ 645,669	(87,794)	-	-	\$ 557,875

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

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2023	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	31,437	-	-	-	31,437	-	-	-	31,437
Total depreciable/amortizable lease assets	31,437.00	-	-	-	31,437	-	-	-	31,437
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(9,816)	-	-	-	(9,816)	(10,176)	-	-	(19,992)
Total accumulated depreciation/amortization	(9,816)	-	-	-	(9,816)	(10,176)	-	-	(19,992)
Total capital assets - lease ROU, net	21,621	-	-	-	21,621	(10,176)	-	-	11,445

Composition of capital assets - SBITA ROU, net	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Depreciable/Amortizable SBITA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - P3 ROU, net:	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-

Total capital assets, net including ROU assets

569,320

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

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$	151,445	
Amortization expense - Leases ROU		10,176	
Amortization expense - SBTA ROU		-	
Amortization expense - P3 ROU		-	
Lease exp included in Student			
Depreciation and Amortization expense - Others		(10,176)	Provide explanation for others: Housing Supplies & Services
Total depreciation and amortization	\$	151,445	

4 Long-term liabilities:

	Balance June 30, 2023	Prior Period Adjustments/Reclassifications	Balance June 30, 2023 (Restated)	Additions	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
1. Accrued compensated absences	-	-	-	-	-	-	-	-
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium (discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
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 Finance purchase of capital assets	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium (discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-

	Balance June 30, 2023	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2024	Current Portion	Noncurrent Portion
5. Lease, SBTA, P3 liabilities:								
Lease liabilities	21,621	-	-	-	(10,176)	11,445	10,549	896
SBTA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBTA, P3 liabilities	\$ 21,621	-	-	-	(10,176)	11,445	10,549	896
Total long-term liabilities						\$ 11,445	\$ 10,549	896

5 Future minimum payments schedule - leases, SBTA, P3:

Year ending June 30:	Lease Liabilities			SBTA liabilities			Public-Private or Public-Private Partnerships (P3)			Total Leases, SBTA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2025	\$ 10,549	-	239	10,788	-	-	-	-	-	10,549	239	10,788
2026	896	-	3	899	-	-	-	-	-	896	3	899
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ 11,445	-	242	11,687	-	-	-	-	-	11,445	242	11,687
Less: amounts representing interest	-	-	-	-	-	-	-	-	-	-	-	(242)
Present value of future minimum lease payments												11,445
Total Leases, SBTA, P3 liabilities												11,445
Less: current portion												(10,549)
Leases, SBTA, P3 liabilities, net of current portion												\$ 896

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

Other Information, continued

June 30, 2024

(for inclusion in the California State University)

6 Future minimum payments schedule - Long-term debt obligations: Not Applicable

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts,	-
Payments to University for other than salaries of University personnel	890,068
Payments received from University for services, space, and programs	1,512,679
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	(86,297)
Other amounts (payable to) University	-
Accounts receivable from University	32,233
Other amounts receivable from University	-

8 Restatements: Not Applicable

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and	Supplies and other services	Depreciation and	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	4,804,640	-	4,804,640
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	1,153,929	-	1,153,929
Depreciation and amortization	-	-	-	-	-	-	151,445	151,445
Total operating expenses	\$ -	-	-	-	-	5,958,569	151,445	6,110,014

No pension plan reported

N/A

10 Deferred outflows/inflows of resources:

Not Applicable

11 Other nonoperating revenues (expenses):

Not Applicable

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, 2024, 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 19, 2024.

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 19, 2024