



Chapter 8

UNIVERSITY AUXILIARY ORGANIZATION AUDITED FINANCIAL STATEMENTS 2024-2025

- 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, 2025 and 2024



ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Financial Statements and Supplemental Information

Years Ended June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 pages 13-23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2025, 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, 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 12, 2025

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Financial Position**June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash	\$ 3,219,207	\$ 3,370,406
Due from related parties	<u>410,146</u>	<u>246,429</u>
 Total Assets	 \$ <u>3,629,353</u>	 \$ <u>3,616,835</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 23,980	\$ 44,490
Due to related parties	<u>883,960</u>	<u>117,978</u>
 Total Current Liabilities	 907,940	 162,468
 Net Assets - Without Donor Restrictions	 <u>2,721,413</u>	 <u>3,454,367</u>
 Total Liabilities and Net Assets	 \$ <u>3,629,353</u>	 \$ <u>3,616,835</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Activities**Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue and Support Without Donor Restrictions:		
Associated student body fees	\$ 4,112,082	\$ 3,794,120
University contract services (Note 5)	531,900	552,682
Miscellaneous	<u>113,549</u>	<u>89,161</u>
 Total Revenue and Support Without Donor Restrictions	 4,757,531	 4,435,963
 Expenses:		
Program services - student services	5,124,328	3,868,281
Supporting services - general and administrative	<u>366,157</u>	<u>428,324</u>
 Total Expenses	 <u>5,490,485</u>	 <u>4,296,605</u>
 Change in Net Assets	 (732,954)	 139,358
 Net Assets - Without Donor Restrictions, beginning	 <u>3,454,367</u>	 <u>3,315,009</u>
 Net Assets - Without Donor Restrictions, ending	 \$ <u><u>2,721,413</u></u>	 \$ <u><u>3,454,367</u></u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Statements of Functional Expenses**Year Ended June 30, 2025

	<u>Student Services</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 3,090,282	\$ -	\$ 3,090,282
Travel	663,786	-	663,786
University contract expenses (Note 5)	198,249	333,651	531,900
Supplies and contract services	480,050	1,495	481,545
Transfers to related parties	300,000	-	300,000
Minor equipment	121,575	-	121,575
Event programming	112,459	-	112,459
Insurance	55,423	1,754	57,177
Advertising and promotion	31,401	-	31,401
Space rental	21,118	3,538	24,656
Office expense	21,479	28	21,507
Information technology	21,000	-	21,000
Accounting	-	20,400	20,400
Miscellaneous	5,488	-	5,488
Utilities	-	3,326	3,326
Dues and subscriptions	50	1,965	2,015
Conference, conventions, and meetings	760	-	760
Repairs and maintenance	658	-	658
Bank fees	550	-	550
Total Expenses	\$ <u>5,124,328</u>	\$ <u>366,157</u>	\$ <u>5,490,485</u>

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

Year Ended June 30, 2024

	<u>Student Services</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 2,781,375	\$ -	\$ 2,781,375
University contract expenses (Note 5)	181,129	371,553	552,682
Supplies and contract services	466,114	8,199	474,313
Travel	193,476	15,952	209,428
Insurance	73,710	1,406	75,116
Event programming	68,969	-	68,969
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
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
Miscellaneous	-	20	20
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 Cash Flows**Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (732,954)	\$ 139,358
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Due from related parties	(163,717)	(81,685)
Accounts payable and accrued expenses	(20,510)	1,079
Due to related parties	<u>765,982</u>	<u>67,029</u>
Net Cash Provided (Used) by Operating Activities	<u>(151,199)</u>	<u>125,781</u>
Net Increase (Decrease) in Cash	(151,199)	125,781
Cash, beginning	<u>3,370,406</u>	<u>3,244,625</u>
Cash, ending	\$ <u><u>3,219,207</u></u>	\$ <u><u>3,370,406</u></u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

Associated Students, California State University, Bakersfield, Inc. (the Organization) was formed and operates as a nonprofit auxiliary organization of California State University, Bakersfield (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, 2025 and 2024.

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, 2025 and 2024, and therefore, no amounts have been accrued.

Accounts Receivable

Accounts receivable arise in the normal course of operations. Accounts receivable are recorded at unpaid balances, less any allowance for credit losses using a forward-looking expected credit loss 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. Based on this review, management has determined that an allowance for credit loss is not necessary for the years ended June 30, 2025 and 2024.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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 \$229 per Fall and Spring semester and \$143 per Summer semester for the year ended June 30, 2025, and \$221 per Fall and Spring semester and \$132 per Summer semester for the year ended June 30, 2024. Fees are due and collectible 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.

Reclassification

Certain items in the 2024 financial statements have been reclassified to conform to current year classifications, specifically the natural classifications of event programming, supplies, and miscellaneous in the statement of functional expenses. Such reclassifications have had no effect on total previously reported changes in net assets.

Subsequent Events

The Organization has evaluated subsequent events through September 12, 2025, which is the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

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

	2025	2024
Cash	\$ 3,219,207	\$ 3,370,406
Due from related parties	410,146	246,429
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,629,353	\$ 3,616,835

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 – Liquidity and Availability, continued

The Organization is substantially supported by student fees collected by the University and 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 - 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, 2025 and 2024, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

	2025	2024
University employee services:		
Programming services	\$ 165,209	\$ 151,829
General and administrative services	333,651	371,553
Rent of University facilities	33,040	29,300
Total University contract services	\$ 531,900	\$ 552,682

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.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 5 - University Contract Services, continued

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.

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 programming facilities and equipment.

Related party transactions as of and for the years ended June 30, 2025 and 2024, are as follows:

	2025	2024
Payments received from:		
University	\$ 4,112,103	\$ 3,794,120
Foundation	1,929	8,797
Student-centered Enterprises	8,500	9,000
	<u>\$ 4,122,532</u>	<u>\$ 3,811,917</u>
Payments to:		
University	\$ 4,056,602	\$ 3,381,878
Foundation	28,063	1,595
Student-centered Enterprises	12,930	16,298
	<u>\$ 4,097,595</u>	<u>\$ 3,399,771</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Notes to Financial Statements**Years Ended June 30, 2025 and 2024

Note 6 - Related Party Transactions, continued

	2025	2024
Due from related parties:		
University	\$ 409,646	\$ 246,429
Student-centered Enterprises	500	-
	<u>\$ 410,146</u>	<u>\$ 246,429</u>
Due to related parties:		
University	\$ 854,562	\$ 115,160
Foundation	25,501	-
Student-centered Enterprises	3,897	2,818
	<u>\$ 883,960</u>	<u>\$ 117,978</u>

For the years ended June 30, 2025 and 2024, the Foundation reimbursed the Organization's scholarship payments of \$119,321 and \$360,364, 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, 2025 and 2024, the Organization also recorded University contract services revenue and expense in the amount of \$531,900 and \$552,682, respectively (see 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.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedules of Activities by Student Service**

Year Ended June 30, 2025

	Student Government & Leadership	Children's Center	Intercollegiate Athletics	Student Club Administration	Antelope Valley	Chartered Student Clubs	Total
Revenue and Support Without Donor Restrictions:							
Associated student body fees	\$ 357,707	\$ 164,847	\$ 3,483,156	\$ 20,452	\$ 85,920	\$ -	\$ 4,112,082
University contract services	231,167	28,052	50,704	182,404	39,573	-	531,900
Miscellaneous	-	-	-	-	8,000	105,549	113,549
Total Revenue and Support Without Donor Restrictions	588,874	192,899	3,533,860	202,856	133,493	105,549	4,757,531
Expenses:							
Program services - student services	346,098	313,969	4,084,319	96,027	172,351	111,564	5,124,328
Supporting services - general and administrative	122,226	28,848	66,533	108,277	40,273	-	366,157
Total Expenses	468,324	342,817	4,150,852	204,304	212,624	111,564	5,490,485
Change in Net Assets	120,550	(149,918)	(616,992)	(1,448)	(79,131)	(6,015)	(732,954)
Net Assets - Without Donor Restrictions, beginning	1,326,254	497,095	1,170,042	155,987	244,587	60,402	3,454,367
Net Assets - Without Donor Restrictions, ending	\$ 1,446,804	\$ 347,177	\$ 553,050	\$ 154,539	\$ 165,456	\$ 54,387	\$ 2,721,413

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedules of Activities by Student Service**

Year Ended June 30, 2024

	Student Government & Leadership	Children's Center	Intercollegiate Athletics	Student Club Administration	Antelope Valley	Chartered Student Clubs	Total
Revenue and Support Without Donor Restrictions:							
Associated student body fees	\$ 386,782	\$ 144,864	\$ 3,178,893	\$ 18,110	\$ 65,471	\$ -	\$ 3,794,120
University contract services	226,218	37,628	58,856	193,352	36,628	-	552,682
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>81,161</u>	<u>89,161</u>
 Total Revenue and Support Without Donor Restrictions	 613,000	 182,492	 3,237,749	 211,462	 110,099	 81,161	 4,435,963
Expenses:							
Program services - student services	330,416	4,984	3,297,335	89,280	46,688	99,578	3,868,281
Supporting services - general and administrative	<u>152,902</u>	<u>38,397</u>	<u>74,136</u>	<u>125,873</u>	<u>37,016</u>	<u>-</u>	<u>428,324</u>
 Total Expenses	 <u>483,318</u>	 <u>43,381</u>	 <u>3,371,471</u>	 <u>215,153</u>	 <u>83,704</u>	 <u>99,578</u>	 <u>4,296,605</u>
 Change in Net Assets	 129,682	 139,111	 (133,722)	 (3,691)	 26,395	 (18,417)	 139,358
 Net Assets - Without Donor Restrictions, beginning	 <u>1,196,572</u>	 <u>357,984</u>	 <u>1,303,764</u>	 <u>159,678</u>	 <u>218,192</u>	 <u>78,819</u>	 <u>3,315,009</u>
 Net Assets - Without Donor Restrictions, ending	 <u>\$ 1,326,254</u>	 <u>\$ 497,095</u>	 <u>\$ 1,170,042</u>	 <u>\$ 155,987</u>	 <u>\$ 244,587</u>	 <u>\$ 60,402</u>	 <u>\$ 3,454,367</u>

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

June 30, 2025

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	3,219,207
Short-term investments	—
Accounts receivable, net	410,146
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	3,629,353

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	3,629,353

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, 2025

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	907,940
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	—
Total current liabilities	907,940

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	—
Total liabilities	907,940

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	—

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Net Position, continued

June 30, 2025

(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>2,721,413</u>
Total net position	<u>2,721,413</u>

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

Year Ended June 30, 2025

(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	4,757,531

Total operating revenues	4,757,531
---------------------------------	------------------

Expenses:**Operating expenses:**

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	2,400,203
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	3,090,282
Auxiliary enterprise expenses	—
Depreciation and amortization	—

Total operating expenses	5,490,485
--------------------------	-----------

Operating income (loss)	(732,954)
--------------------------------	------------------

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

Year Ended June 30, 2025

(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)	<u>(732,954)</u>
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	<u>(732,954)</u>
Net position:	
Net position at beginning of year, as previously reported	3,454,367
Restatements	—
Net position at beginning of year, as restated	<u>3,454,367</u>
Net position at end of year	<u>2,721,413</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2025

(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	3,219,207
Total	\$ 3,219,207

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, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
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, 2025

(for inclusion in the California State University)

3.1 Capital Assets, excluding ROU assets, Continued:

Depreciable/Amortizable capital assets:

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	254,852	-	-	-	254,852	-	-	-	254,852
Personal property:									
Equipment	42,910	-	-	-	42,910	-	-	-	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	297,762	-	-	-	297,762	-	-	-	297,762
Total capital assets	\$ 297,762	-	-	-	297,762	-	-	-	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	(42,910)	-	-	-	(42,910)	-	-	-	(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	(297,762)	-	-	-	(297,762)	-	-	-	(297,762)
Total capital assets, net excluding ROU assets	\$ -	-	-	-	-	-	-	-	-

Capital Assets, Right of Use: Not Applicable

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information, continued

June 30, 2025

(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	4,056,602
Payments received from University for services, space, and programs	4,112,103
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	(854,562)
Other amounts (payable to) University	-
Accounts receivable from University	409,646
Other amounts receivable from University	-

8 Restatements: Not Applicable

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information, continued

June 30, 2025

(for inclusion in the California State University)

9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	2,400,203	-	2,400,203
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	3,090,282	-	-	3,090,282
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	\$ -	-	-	-	3,090,282	2,400,203	-	5,490,485

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
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, 2025, 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 12, 2025.

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 12, 2025

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2025 and 2024



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Financial Statements and Supplemental Information

Years Ended June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 4-8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 audits 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 supplemental information included on pages 17-28 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 16, 2025, 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 16, 2025

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2025 and 2024

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, 2025 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: statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and 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 include 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.

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.

Statements of Cash Flows: The statements of cash flows present 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 12 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 and supplemental information for inclusion in the California State University. These supplementary schedules and information can be found beginning on page 17 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, 2025 and 2024.

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 84 proposals requesting approximately \$26 million, with about \$6.9 million in anticipated indirect costs – 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 expenses may not be used when calculating the actual cost recovery.

Other financial highlights as of June 30, 2025 and 2024 include:

- Total assets exceeded total liabilities by \$2.6 million as of June 30, 2025. Total assets exceeded total liabilities by \$1.5 million as of June 30, 2024.
- During the years ended June 30, 2025, and 2024, total net position increased \$1.0 million and \$291 thousand, respectively.
- During the years ended June 30, 2025, and 2024, capital assets increased \$390 thousand and \$695 thousand, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2025 and 2024

Financial Highlights, continued

- Comparative to the prior year, operating revenue and other support increased by \$1.4 million in 2025 and by \$1.7 million in 2024.
- Comparative to the prior year, operating expenses increased by \$713 thousand in 2025 and by \$1.3 million in 2024.

Statements of Net Position

	2025	2024	2023
Assets:			
Current assets	\$ 4,499,205	\$ 4,064,496	\$ 4,049,185
Capital assets, net	1,451,767	1,061,493	366,983
Total Assets	<u>\$ 5,950,972</u>	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>
Liabilities and Net Position:			
Liabilities	\$ 3,381,603	\$ 3,586,193	\$ 3,167,283
Net Position	2,569,369	1,539,796	1,248,885
Total Liabilities and Net Position	<u>\$ 5,950,972</u>	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>

The statements of net position provide the basis for assessing liquidity and the financial flexibility of the Organization.

Assets

Total assets increased by \$825 thousand to \$6.0 million at June 30, 2025, from \$5.1 million at June 30, 2024. The change in assets is attributed to an increase in cash and cash equivalents of \$404 thousand and an increase in net capital assets of \$390 thousand. The increase in cash and cash equivalents was driven by an increase in the change in net position of \$739 thousand, offset by changes in cash flows correlated to a year-to-year increase in receivables of \$112 thousand and a decrease in payables of \$207 thousand. The increase in net capital assets was due to major equipment grant purchase, an X-ray Fluorescence Spectrometer, and other equipment to support the University's undergraduate education and STEM degree programs. The remaining increase is attributed to medical equipment purchases to support the University's nursing program.

Comparatively, 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 was due to an increase in net capital assets of \$695 thousand resulting from major equipment grant purchases including the acquisition of an emission scanning electron microscope, nursing equipment to support the University's nursing program, and other equipment to support the University's STEM degree program.

Liabilities and Net Position

The \$825 thousand increase in total liabilities and net position is due to a \$1.0 million increase in net position, which was offset by a \$205 thousand decrease in total liabilities as of June 30, 2025. The decrease in total liabilities was due to a decrease in amounts due to related parties of \$231 thousand. The change in year-end related parties' payables will vary year to year depending on the timing of transactions with the University. See Note 5 on page 14 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.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2025 and 2024

Liabilities and Net Position, continued

The change in total liabilities and net position as of June 30, 2024, compared to June 30, 2023, is due to a \$539 thousand increase in unearned revenue as well as a \$291 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. As noted above, the change in year-end related parties payables will vary year to year. See the following statements of revenues, expenses and changes in net position for discussion related to the prior year change in net position.

Statements of Revenues, Expenses, and Changes in Net Position

	2025	2024	2023
Operating Revenue and Other Support:			
Grants	\$ 14,146,477	\$ 12,538,123	\$ 11,069,840
University contract services	2,250,518	2,420,132	2,227,782
Total Operating Revenue and Other Support	16,396,995	14,958,255	13,297,622
Operating Expenses:			
Program services	13,065,028	12,251,534	11,410,658
General and administrative	2,303,594	2,403,977	1,953,530
Total Operating Expenses	15,368,622	14,655,511	13,364,188
Non-Operating Revenues:			
Other	1,200	2,656	-
Total Non-Operating Revenues	1,200	2,656	-
Change in Net Position	1,029,573	305,400	(66,566)
Net Position, beginning as originally stated	1,539,796	1,248,885	1,315,451
Restatement	-	(14,489)	-
Net Position, beginning as restated	1,539,796	1,234,396	1,315,451
Net Position, ending	\$ 2,569,369	\$ 1,539,796	\$ 1,248,885

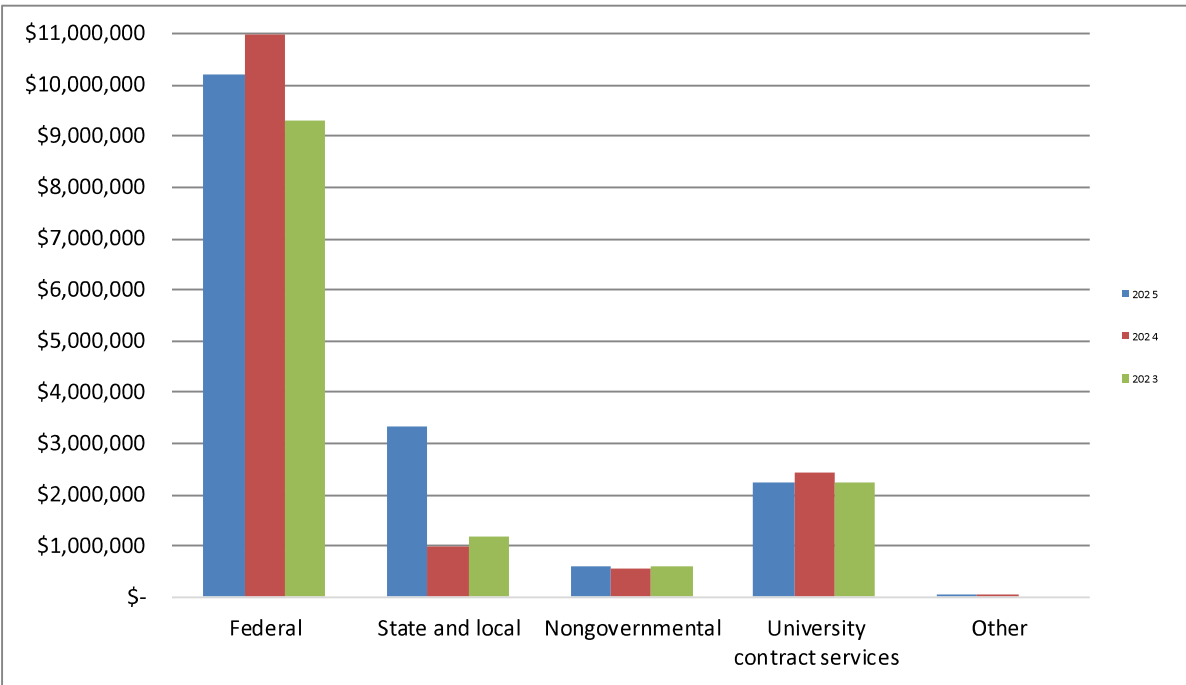
While the statements of net position show the change in financial position of the Organization, the statements of revenues, expenses, and changes in net position provide answers to the nature and sources of these changes.

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

Management’s Discussion and Analysis (Unaudited)

Years Ended June 30, 2025 and 2024

Revenues



During the year ended June 30, 2025, revenues increased by \$1.4 million, or 10%, to \$16.4 million, from \$15.0 million during the year ended June 30, 2024. The increase was primarily attributed to an increase in state grant revenue, which increased by \$2.4 million, or 284%, when compared to fiscal year 2024. During the year ended June 30, 2025, State grant revenue includes 28 active and operational grants compared to 19 active and operational grants awarded during the year ended June 30, 2024. Of the 28 active and operational state awarded grants, 17 were new awards. In addition to new state grants, the Organization also received several new non-governmental grant awards.

During the year ended June 30, 2024, revenues increased by \$1.7 million, or 13%, to \$15.0 million, from \$13.3 million during the year ended June 30, 2023. The increase was 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 active and operational grants compared to 50 active and operational grants awarded in the year ended June 30, 2023. The increase in federal revenue is also due to an effort to increase the burn rate in the grant portfolio.

Expenses

Total operating expenses in the current year increased \$713 thousand, or 5%, to \$15.4 million during the year ended June 30, 2025, from \$14.7 during the year ended June 30, 2024. 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, 2025, payroll expenses totaled \$6.5 million as compared to non-payroll expenses of \$8.9 million. Comparatively, during the year ended June 30, 2024, payroll expenses totaled \$6.5 million and non-payroll expenses totaled \$8.2 million. The increase in non-payroll expenses was primarily due to an increase in participant support costs (stipends). During the year ended June 30, 2025, stipend disbursements were approximately \$3 million comparative to the previous fiscal year in which total stipend disbursements were approximately \$2 million.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2025 and 2024

Expenses, continued

During the previous fiscal year, total operating expenses increased \$1.3 million, or 10%, to \$14.7 million during the year ended June 30, 2024, from \$13.4 million during the year ended June 30, 2023. The change was attributed to an increase in payroll and non-payroll expenses. The increase in payroll expenses was primarily due to the need for an increase in staff support time including faculty engagement (one - time payments) to fulfill 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. The increase in federal awards year-to-year drove an increase in travel, programmatic events, and participant support costs.

Change in Accounting Principle

The comparative financial information presented in this Management's Discussion and Analysis includes fiscal years 2025, 2024, and 2023. During fiscal year 2025, the Organization adopted GASB Statement No. 101, *Compensated Absences*, which changed the method of recognizing liabilities and expenses for employee leave benefits. As a result of this change, the fiscal year 2023 amounts presented in this Management's Discussion and Analysis are not fully consistent with the current-period information. Specifically, the 2023 amounts reflect the accounting standards in effect at that time and have not been restated to conform with GASB 101.

Accordingly, comparisons of 2023 with subsequent years should be made with caution. Further details regarding the adoption of GASB 101, including the cumulative effect of the change and the restatement of prior year financial statements, are provided in Note 1, Implementation of New Accounting Standard, to the basic financial statements.

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, 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, 2025 and 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,616,360	\$ 1,212,430
Accounts receivable	2,815,146	2,703,523
Due from related parties	2,140	13,686
Prepaid expenses	65,559	134,857
Total Current Assets	4,499,205	4,064,496
Non-Current Assets:		
Capital assets, net	1,451,767	1,061,493
Total Assets	\$ 5,950,972	\$ 5,125,989
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	\$ 64,180	\$ 40,189
Due to related parties	976,684	1,208,409
Accrued expenses	978,991	960,761
Unearned revenue	1,272,172	1,292,620
Compensated absences	89,576	84,214
Total Liabilities	3,381,603	3,586,193
Net Position:		
Net investment in capital assets	1,451,767	1,061,493
Unrestricted	1,117,602	478,303
Total Net Position	2,569,369	1,539,796
Total Liabilities and Net Position	\$ 5,950,972	\$ 5,125,989

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

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenue and Other Support:		
Grants:		
Federal	\$ 10,211,197	\$ 10,976,651
State	3,260,809	849,288
Nongovernmental	614,471	556,890
Local	60,000	155,294
University contract services	2,250,518	2,420,132
Total Operating Revenue and Other Support	16,396,995	14,958,255
Operating Expenses:		
Program services	13,065,028	12,251,534
General and administrative	2,303,594	2,403,977
Total Operating Expenses	15,368,622	14,655,511
Non-Operating Revenues:		
Other	1,200	2,656
Change in Net Position	1,029,573	305,400
Net Position, beginning as originally stated	1,539,796	1,248,885
Restatement	-	(14,489)
Net Position, beginning as restated	1,539,796	1,234,396
Net Position, ending as restated	\$ 2,569,369	\$ 1,539,796

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

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Grant revenue receipts	\$ 14,027,152	\$ 12,944,092
University contract services	2,250,518	2,420,132
Payments to suppliers	(8,667,689)	(8,453,352)
Payments to employees	(6,568,807)	(6,295,435)
Net Cash Provided by Operating Activities	1,041,174	615,437
Cash Flows from Capital and Related Financing Activities:		
Acquisitions of capital assets	(637,244)	(800,381)
Net Cash Used in Capital and Related Financing Activities	(637,244)	(800,381)
Net Increase (Decrease) in Cash and Cash Equivalents	403,930	(184,944)
Cash and Cash Equivalents, beginning of year	1,212,430	1,397,374
Cash and Cash Equivalents, end of year	\$ 1,616,360	\$ 1,212,430
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:		
Change in net position	\$ 1,029,573	\$ 305,400
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	152,111	65,071
Transfer of capital assets to a related party	94,859	40,800
Changes in operating assets and liabilities:		
Accounts receivable	(111,623)	(125,575)
Due from related parties	11,546	(10,283)
Prepaid expenses	69,298	(64,397)
Accounts payable	23,991	(16,686)
Due to related parties	(231,725)	(162,597)
Accrued expenses	18,230	22,475
Unearned revenue	(20,448)	539,171
Compensated absences	5,362	22,058
Net Cash Provided by Operating Activities	\$ 1,041,174	\$ 615,437

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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, \$653,691 was reclassified from program services expenses to general and administrative expenses in the statement of revenues, expenses, and changes in net position. These reclassifications had no effect on previously reported changes in net position.

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, 2025 and 2024, 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, 2025 and 2024

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

The Organization recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The Organization's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The Organization's policy permits employees to accumulate earned but unused sick leave. All unused sick leave lapses upon an employee's separation from service, and no monetary obligation is incurred. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in compensated absences liabilities.

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 16, 2025, 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.

Implementation of New Accounting Standard

During the current year, the Organization implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Organization now recognizes the amount of sick leave earned as of year-end that is estimated to be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized in Note 7 in the "Restatement - GASB 101 implementation" column.

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.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 3 - Capital Assets

Changes in capital assets consist of the following as of June 30, 2025:

	Balance June 30, 2024	Additions	Transfers	Balance June 30, 2025
Equipment	\$ 1,187,532	\$ 637,244	\$ (104,424)	\$ 1,720,352
Less accumulated depreciation	(126,039)	(152,111)	9,565	(268,585)
	<u>\$ 1,061,493</u>	<u>\$ 485,133</u>	<u>\$ (94,859)</u>	<u>\$ 1,451,767</u>

Changes in capital assets consist of the following as of 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>

Note 4 - University Contract Services

The Organization utilizes University employees to provide direct programming and supporting services for the Organization including managing and overseeing grant activities. Additionally, University employees provide indirect services on behalf of the Organization including accounting, human resources, facility management, information technology, and other administrative services as appropriate. 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, 2025 and 2024 was \$2,093,918 and \$2,263,532, 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, 2025 and 2024 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. The University incurs payroll and other administrative cost to support the Organization's program services which are reimbursed by the Organization and included as payments to the University.

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 5 - Related Party Transactions, continued

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.

Related party transactions as of and for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Payments received from:		
University	\$ 12,850	\$ 102,020
Foundation	<u>755</u>	<u>7,032</u>
	<u>\$ 13,605</u>	<u>\$ 109,052</u>
Payments to:		
University	\$ 6,083,713	\$ 5,874,493
Foundation	<u>8,024</u>	<u>53,124</u>
Student-centered Enterprises	<u>13,783</u>	<u>58,600</u>
	<u>\$ 6,105,520</u>	<u>\$ 5,986,217</u>
Due from:		
University	\$ 2,140	\$ 13,336
Foundation	<u>-</u>	<u>350</u>
	<u>\$ 2,140</u>	<u>\$ 13,686</u>
Due to:		
University	\$ 971,888	\$ 1,201,313
Foundation	<u>2,927</u>	<u>946</u>
Student-centered Enterprises	<u>1,869</u>	<u>6,150</u>
	<u>\$ 976,684</u>	<u>\$ 1,208,409</u>

Note 6 - Compensated Absences

A summary of the changes in compensated absences as of June 30, 2025 and 2024 are as follows:

	<u>Balance June 30, 2024</u>	<u>Net Additions</u>	<u>Balance June 30, 2025</u>	<u>Current Portion</u>
Compensated absences	\$ <u>84,214</u>	\$ <u>5,362</u>	\$ <u>89,576</u>	\$ <u>89,576</u>

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

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 6 - Compensated Absences, continued

	Balance June 30, 2023 as Restated	Net Additions as Restated	Balance June 30, 2024 as Restated	Current Portion as Restated
Compensated absences	\$ <u>62,156</u>	\$ <u>22,058</u>	\$ <u>84,214</u>	\$ <u>84,214</u>

Note 7 – Restatement of Beginning Balances

	Net Position Balance June 30, 2023 as Originally Stated	Restatement - GASB 101 Implementation	Net Position Balance June 30, 2023 as Restated
Net investment in capital assets	\$ 366,983	\$ -	\$ 366,983
Unrestricted	<u>881,902</u>	<u>(14,489)</u>	<u>867,413</u>
Total net position	\$ <u>1,248,885</u>	\$ <u>(14,489)</u>	\$ <u>1,234,396</u>

SUPPLEMENTAL INFORMATION

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

Schedule of Expenses by Natural Classification

Year Ended June 30, 2025

	Program Services	General and Administrative	Total
Salaries	\$ 5,302,900	\$ -	\$ 5,302,900
Stipends	3,036,366	-	3,036,366
University contract services	582,834	1,667,684	2,250,518
Supplies and contract services	1,405,776	4,806	1,410,582
Payroll taxes and benefits	1,174,434	-	1,174,434
Services from other agencies	485,699	450,474	936,173
Small equipment	310,353	65,190	375,543
Travel	353,250	1,485	354,735
Depreciation	152,111	-	152,111
Conference and meetings	84,511	5,253	89,764
Printing and publications	74,233	960	75,193
Professional fees	8,946	52,615	61,561
Insurance	80	45,013	45,093
Dues and subscriptions	28,537	8,401	36,938
Miscellaneous	28,392	486	28,878
Space rental	16,053	1,032	17,085
Telephone	9,734	-	9,734
Postage	9,242	8	9,250
Parking	1,577	187	1,764
Total Expenses	\$ 13,065,028	\$ 2,303,594	\$ 15,368,622

**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	\$ 5,188,910	\$ -	\$ 5,188,910
University contract services	728,544	1,691,588	2,420,132
Stipends	1,985,097	-	1,985,097
Supplies and contract services	1,258,570	5,680	1,264,250
Payroll taxes and benefits	1,258,808	-	1,258,808
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	\$ 12,251,534	\$ 2,403,977	\$ 14,655,511

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	1,616,360
Short-term investments	—
Accounts receivable, net	2,817,286
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	65,559

Total current assets

4,499,205

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	1,451,767
Other assets	—

Total noncurrent assets

1,451,767

Total assets

5,950,972

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, 2025

(for inclusion in the California State University)

Liabilities:

Current liabilities:

Accounts payable	1,040,864
Accrued salaries and benefits	310,756
Accrued compensated absences, current portion	89,576
Unearned revenues	1,272,172
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	668,235
Total current liabilities	3,381,603

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	—
Total liabilities	3,381,603

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	—

See independent auditor's report.

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

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University)

Net position:

Net investment in capital assets	1,451,767
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	<u>1,117,602</u>
Total net position	<u><u>2,569,369</u></u>

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

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025

(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	10,211,197
State	3,260,809
Local	60,000
Nongovernmental	614,471
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	—
Scholarship allowances (enter as negative)	—
Other operating revenues	2,250,518
Total operating revenues	16,396,995

Expenses:

Operating expenses:

Instruction	1,683,412
Research	4,592,742
Public service	1,580,362
Academic support	579,045
Student services	3,799,702
Institutional support	2,886,428
Operation and maintenance of plant	94,820
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	152,111
Total operating expenses	15,368,622
Operating income (loss)	1,028,373

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

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025

(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)	1,200
Net nonoperating revenues (expenses)	1,200

Income (loss) before other revenues (expenses)

1,029,573

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	1,029,573

Net position:

Net position at beginning of year, as previously reported	1,554,202
Restatements	(14,406)
Net position at beginning of year, as restated	1,539,796
Net position at end of year	2,569,369

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2025

(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

Total

	-
	1,616,360
\$	1,616,360

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, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
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	1,187,532	-	-	-	1,187,532	637,244	(104,424)	-	1,720,352
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	1,187,532	-	-	-	1,187,532	637,244	(104,424)	-	1,720,352
Total capital assets	1,187,532	-	-	-	1,187,532	637,244	(104,424)	-	1,720,352

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2025

(for inclusion in the California State University)

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

Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(126,039)	-	-	-	(126,039)	(152,111)	9,565	-	(268,585)
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	(126,039)	-	-	-	(126,039)	(152,111)	9,565	-	(268,585)
Total capital assets, net excluding ROU assets	\$ 1,061,493	-	-	-	1,061,493	485,133	(94,859)	-	1,451,767

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
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	-	-	-	-	-	-	-	-	-

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2025

(for inclusion in the California State University)

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Composition of capital assets - SBITA ROU, net									
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:									
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									1,451,767
3.2 Detail of depreciation and amortization expense:									
Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 152,111								
Amortization expense - Leases ROU	-								
Amortization expense - SBITA ROU	-								
Amortization expense - P3 ROU	-								
Depreciation and Amortization expense - Others	-								
Total depreciation and amortization	\$ 152,111								

See independent auditor's report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2025

(for inclusion in the California State University)

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Reclassifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	69,808	14,406	84,214	5,362	-	89,576	89,576	-
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, 2024	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	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						<u>\$ 89,576</u>	<u>\$ 89,576</u>	<u>\$ -</u>

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, 2025

(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	2,545,589
Payments to University for other than salaries of University personnel	3,538,124
Payments received from University for services, space, and programs	12,850
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	(971,888)
Other amounts (payable to) University	-
Accounts receivable from University	2,140
Other amounts receivable from University	-

8 Restatements

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

Note: Additional account details can be found in the Table of Object Codes and CSU

Fund Definitions

Restatement #1	Enter transaction description	Debit/(Credit)
FY24 SPA Sick Bal Restatement due to the implementation of GASB 101	Restatements - Unrestricted - Auxiliary enterprise	14,406
FY24 SPA Sick Bal Restatement due to the implementation of GASB 101	Restatements - Unrestricted - Auxiliary enterprise	(14,406)
		<u>-</u>

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	614,592	137,408	-	-	-	931,412	-	1,683,412
Research	2,174,982	433,094	-	-	-	1,984,666	-	4,592,742
Public service	553,829	136,643	-	-	-	889,890	-	1,580,362
Academic support	200,873	39,657	-	-	-	338,513	-	579,045
Student services	1,758,624	427,632	-	-	-	1,613,446	-	3,799,702
Institutional support	1,355,988	737,930	-	-	-	792,510	-	2,886,428
Operation and maintenance of plant	-	-	-	-	-	94,820	-	94,820
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	152,111	152,111
Total operating expenses	\$ 6,658,888	1,912,364	-	-	-	6,645,259	152,111	15,368,622

No pension plan reported

N/A

10 Deferred outflows/inflows of resources: Not Applicable

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	1,200
Other nonoperating (expenses)	-
Total other nonoperating revenues (expenses)	<u>1,200</u>

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
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, 2025, 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 16, 2025.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 16, 2025

California State University, Bakersfield Foundation

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2025 and 2024



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Financial Statements and Supplemental Information

Years Ended June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 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 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 30-40 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 17, 2025, 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 17, 2025

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

June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 17,356,052	\$ 16,893,869
Current portion of promises to give, net of allowance for doubtful promises	736,455	2,258,348
Due from related parties	33,381	15,862
Accounts receivable, net of allowance for credit losses	708	1,430
Other current assets	100	3,503
Total Current Assets	18,126,696	19,173,012
Non-Current Assets:		
Investments	46,041,535	42,008,842
Promises to give, net of discount and current portion	1,107,661	966,321
Property and equipment, net of accumulated depreciation	21,542	28,294
Collections	82,170	82,170
Total Non-Current Assets	47,252,908	43,085,627
Total Assets	\$ 65,379,604	\$ 62,258,639
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 190,271	\$ 192,518
Due to related parties	150,342	265,548
Deposits, events	9,187	11,285
Revenue collected in advance	5,617	5,600
Current portion of accrued post-employment benefits other than pensions	72,134	63,325
Total Current Liabilities	427,551	538,276
Non-Current Liabilities:		
Accrued post-employment benefits other than pensions, net of current portion	831,110	715,341
Total Liabilities	1,258,661	1,253,617
Net Assets:		
Without donor restrictions:		
Operating	(1,749,872)	(1,611,909)
Board designated endowments	5,508,507	4,965,707
	3,758,635	3,353,798
With donor restrictions:		
Purpose restricted	19,361,217	19,881,702
Endowments - accumulated investment gains	9,693,401	6,984,246
Endowments - perpetual in nature	31,307,690	30,785,276
	60,362,308	57,651,224
Total Net Assets	64,120,943	61,005,022
Total Liabilities and Net Assets	\$ 65,379,604	\$ 62,258,639

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

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Contributions	\$ 72,985	\$ 3,280,186	\$ 3,353,171
Investment income	1,114,860	4,252,327	5,367,187
Contributed nonfinancial assets (Note 11)	2,572,414	97,404	2,669,818
Other	717,900	196,660	914,560
Transfers from related parties (Note 12)	-	28,212	28,212
Net assets released from restriction	5,143,705	(5,143,705)	-
Total Revenue and Other Support	9,621,864	2,711,084	12,332,948
Expenses:			
Program services:			
Alumni engagement	148,827	-	148,827
Athletics	1,713,159	-	1,713,159
Scholarships and academic support	3,223,092	-	3,223,092
Supporting services:			
General and administrative	1,907,460	-	1,907,460
Fundraising	1,859,446	-	1,859,446
Total Operating Expenses	8,851,984	-	8,851,984
Income from Operations	769,880	2,711,084	3,480,964
Non-Operating Revenues (Expenses):			
Transfer from related parties (Note 12)	1,326,423	-	1,326,423
Prior year contribution returned to donor	(1,500,000)	-	(1,500,000)
Change in post-employment benefits other than pensions	(191,466)	-	(191,466)
Total Non-Operating Revenues (Expenses)	(365,043)	-	(365,043)
Change in Net Assets	404,837	2,711,084	3,115,921
Net Assets, beginning	3,353,798	57,651,224	61,005,022
Net Assets, ending	\$ 3,758,635	\$ 60,362,308	\$ 64,120,943

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)	-
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
Total Operating Expenses	7,739,040	-	7,739,040
Income from Operations	759,573	4,652,800	5,412,373
Non-Operating Revenues (Expenses):			
Change in post-employment benefits other than pensions	(43,368)	-	(43,368)
Change in Net Assets	716,205	4,652,800	5,369,005
Net Assets, beginning	2,637,593	52,998,424	55,636,017
Net Assets, ending	\$ 3,353,798	\$ 57,651,224	\$ 61,005,022

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2025

	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)	\$ 112,925	\$ -	\$ -	\$ 112,925	\$ 1,235,840	\$ 1,223,649	\$ 2,459,489	\$ 2,572,414
Scholarships	-	456,511	1,032,393	1,488,904	-	-	-	1,488,904
Salaries and wages	-	463,108	595,279	1,058,387	3,055	-	3,055	1,061,442
Transfers to related parties (Note 12)	-	73,994	587,385	661,379	19,110	-	19,110	680,489
Travel	555	416,504	83,487	500,546	7,830	31,152	38,982	539,528
Supplies and contract services	1,227	83,502	308,525	393,254	87,339	38,950	126,289	519,543
Employee benefits	-	47,598	109,596	157,194	306,708	-	306,708	463,902
Office expense	21,455	25,224	154,846	201,525	28,055	96,255	124,310	325,835
Events	-	-	5,460	5,460	-	254,811	254,811	260,271
Information technology	-	756	51,535	52,291	29,166	148,828	177,994	230,285
Other professional fees	-	-	122,748	122,748	6,750	10,225	16,975	139,723
Conference, conventions, and meetings	5,135	31,895	54,095	91,125	3,769	44,319	48,088	139,213
Miscellaneous	-	49,945	9,364	59,309	-	-	-	59,309
Dues and subscriptions	-	5,218	28,588	33,806	20,977	4,483	25,460	59,266
Accounting	-	-	-	-	53,700	-	53,700	53,700
Minor equipment	-	29,934	19,249	49,183	614	-	614	49,797
Advertising and promotion	59	2,554	2,001	4,614	39,757	5,284	45,041	49,655
Bad debt	-	-	-	-	38,441	-	38,441	38,441
Occupancy	4,388	81	26,698	31,167	5,285	1,155	6,440	37,607
Contributed nonfinancial asset expenses	-	19,425	17,645	37,070	-	-	-	37,070
Insurance	3,083	3,860	14,198	21,141	14,254	335	14,589	35,730
Depreciation	-	3,050	-	3,050	3,702	-	3,702	6,752
Legal	-	-	-	-	3,108	-	3,108	3,108
Total operating expenses	\$ 148,827	\$ 1,713,159	\$ 3,223,092	\$ 5,085,078	\$ 1,907,460	\$ 1,859,446	\$ 3,766,906	\$ 8,851,984

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 contract 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

See accompanying notes to financial statements.

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

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 3,115,921	\$ 5,369,005
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	6,752	6,752
Gain on investments	(5,072,183)	(4,402,065)
Endowment contributions	(522,414)	(2,847,871)
Changes in operating assets and liabilities:		
Promises to give	1,380,553	2,344,411
Accounts receivable	(16,797)	502,769
Other current assets	3,403	(872)
Life insurance policy	-	861
Accounts payable and accrued expenses	(117,453)	116,835
Other current liabilities	(2,081)	(66,179)
Accrued post-employment benefits other than pensions	124,578	(24,729)
Net Cash Provided (Used) by Operating Activities	(1,099,721)	998,917
Cash Flows from Investing Activities:		
Purchases of investments	(18,618,950)	(16,131,876)
Proceeds from sale of investments	19,658,440	14,485,521
Net Cash Provided (Used) by Investing Activities	1,039,490	(1,646,355)
Cash Flows Provided by Financing Activities:		
Endowment contributions	522,414	2,847,871
Net Increase in Cash and Cash Equivalents	462,183	2,200,433
Cash and Cash Equivalents, beginning	16,893,869	14,693,436
Cash and Cash Equivalents, ending	\$ <u>17,356,052</u>	\$ <u>16,893,869</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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.

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, 2025 and 2024, 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 and cash equivalents.

Promises to Give

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

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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

Accounts Receivable

Accounts receivable arise in the normal course of operations. Accounts receivable are recorded at unpaid balances, less any allowance for credit losses using a forward-looking expected credit loss 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 forecasts affecting collectability. For the years ended June 30, 2025 and 2024, the allowance for credit losses was \$8,425.

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 investment income reported 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 assets of 3 to 30 years.

Collections

The Foundation capitalizes its collections at cost, if purchased, and at appraised or fair value at the date of acquisition, if donated. There were no acquisitions for the years ended June 30, 2025 and 2024. 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.

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, 2025 and 2024

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

Revenue Recognition, continued

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 unadjusted quoted prices 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, 2025 and 2024

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, 2025 and 2024.

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 17, 2025, which is the date the financial statements were available to be issued and has determined there were no subsequent events to recognize in these financial statements.

Note 2 - Liquidity and Availability

The following reflects the Foundation's financial assets plus amounts anticipated to be distributed within one year 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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 17,356,052	\$ 16,893,869
Promises to give, net	1,844,116	3,224,669
Due from related parties	33,381	15,862
Accounts receivable, net	708	1,430
Other current assets	100	3,503
Investments	46,041,535	42,008,842
Anticipated distributions from endowments	<u>1,601,104</u>	<u>1,448,504</u>
Total financial assets	66,876,996	63,596,679
Less amounts not available to be used within one year:		
Restricted by donor with time or purpose restrictions	(60,362,308)	(57,651,224)
Board designations: quasi-endowment fund, primarily for long-term investing	<u>(5,508,507)</u>	<u>(4,965,707)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>1,006,181</u></u>	\$ <u><u>979,748</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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, 2025, the Foundation had a quasi-endowment of \$5,508,507, of which \$2,507,538 was designated for general operations. At June 30, 2024, the Foundation had a quasi-endowment of \$4,965,707, of which \$2,341,741 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.

Four donors comprised 62% and three donors comprised 41% of promises to give at June 30, 2025 and 2024, respectively. Two donors comprised 35% and two donors comprised 59% of contributions for the years ended June 30, 2025 and 2024, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 4 - Investments and Fair Value Measurement

Investments consist of the following as of June 30, 2025:

	Level 1	Level 2	Level 3	NAV	Total
Common stock	\$ 11,692,547	\$ -	\$ -	\$ -	\$ 11,692,547
Corporate bonds	-	1,158,756	-	-	1,158,756
Government securities:					
U.S. Treasury securities	1,732,284	-	-	-	1,732,284
U.S. Agency securities	-	425,063	-	-	425,063
Sovereign securities	-	55,351	-	-	55,351
Mutual funds:					
Nontraditional	754,414	-	-	-	754,414
Emerging markets	889,948	-	-	-	889,948
Fixed income	1,966,103	-	-	-	1,966,103
Exchange traded funds	17,381,320	-	-	-	17,381,320
Alternative investments:					
Hedge funds	-	-	-	4,744,357	4,744,357
Private equity	-	-	-	2,747,753	2,747,753
Private real estate	-	-	-	2,493,639	2,493,639
	<u>\$ 34,416,616</u>	<u>\$ 1,639,170</u>	<u>\$ -</u>	<u>\$ 9,985,749</u>	<u>\$ 46,041,535</u>

Commitments and redemptions schedule for those investments valued based on NAV as of June 30, 2025:

	Fair Value June 30, 2025	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Ironwood Inst MS Hedge Fund [a]	\$ 863,552	none	semi-annually	95 calendar days
Hamilton Lane PMOF I [b]	1,219,248	211,039	none	none
Blackstone BREIT [c]	876,325	none	monthly	T-3 business days
Coatue Offshore Fund, Ltd. [d]	680,891	none	quarterly	45 calendar days
Starboard Value and Opportunity Fund [e]	28,825	none	quarterly	90 days
Schonfeld Fundamental Equity Fund [f]	1,135,977	none	none	45 days
HarbourVest Co-Investment VI LP [g]	696,631	97,500	none	none
Bridge Workforce & Affordable Housing [h]	511,510	60,194	none	none
PE Premier Lexington CP X Offshore [i]	368,234	316,076	none	none
Collier International Partners IX - F, LP [j]	209,382	451,392	quarterly	none
Apollo Debt Solutions BDC [k]	864,501	none	quarterly	tender window
KKR Infrastructure Conglomerate LLC [l]	864,921	none	none	purchase date
AlpInvest Co-Investment IX [m]	229,351	760,492	none	none
Clearlake Capital Partners VIII Offshore [n]	24,907	424,000	quarterly	none
Verition International Multi-Strategy Fund [o]	1,103,545	none	quarterly	45 days

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 4 - Investments and Fair Value Measurement, continued

	Fair Value June 30, 2025	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
HedgePremier/Millennium International II [p]	67,066	156,527	none	90 calendar + 5 business days
Ridgewood Water & Strategic Infrastructure [q]	76,452	196,309	none	none
Grain Communications Opportunity IV [r]	77,342	220,888	none	none
Rialto Real Estate Fund V – Debt [s]	87,089	226,300	none	none

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

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

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

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

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

[h] 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.

[i] 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.

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

[k] 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.

[l] 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.

[m] AlpiInvest Co-Investment Fund IX, LP is a global private equity fund that seeks to construct a portfolio of 60-80 co-investments alongside primarily buyout financial sponsors diversified by geographies, industries, company stage (growth and mature), deal types (co-sponsor and syndicated) and buyout market segments (large and middle-market).

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 4 - Investments and Fair Value Measurement, continued

[n] Clearlake Capital Partners VIII Offshore (M), LP is a private equity fund focused on large-cap buyout investments in technology, industrials, and financial services. The fund will have a flexible mandate to invest across the capital structure but will primarily invest across three investment types: control buyout, structured equity, and special situations.

[o] Verition International Multi-Strategy Fund is a multi-manager, relative value hedge fund and has exposure to roughly 95 strategies split across Equity L/S, Fixed Income/Macro, Credit, Event-Driven, Convertible/Volatility and Quantitative Strategies. The portfolio is built from the bottom-up with each PM managing their allocated capital within pre-defined risk parameters. Verition seeks out niche strategies that exhibit low correlations to the markets and each other.

[p] HedgePremier/Millennium International II Ltd. is a multi-strategy hedge fund that seeks to generate attractive returns through a diversified, multi-manager trading platform utilizing five core strategies: equity long/short, quantitative/statistical arbitrage, fixed income relative value, risk arbitrage/event driven and commodities.

[q] Ridgewood Water & Strategic Infrastructure Fund II, LP is a private infrastructure fund that invests in essential infrastructure in the U.S. lower middle market with a focus on sectors including Water, Energy Transition, Transport, and Utilities. The fund targets assets and businesses providing critical services and generating inflation-linked cash flows and uses a repeatable and controllable, operationally oriented value-creation with the goal to create core infrastructure assets and businesses with growth that are desired by a broad universe of potential buyers.

[r] Grain Communications Opportunity IV is a private infrastructure fund that invests across Grain's key telecom subsectors: fiber, spectrum, managed and infrastructure services, data centers, towers & communication sites. The fund's strategy aims to focus on businesses/assets exhibiting strong growth potential, execute a data-driven operator approach to private equity investing in the infrastructure space, and invest in non-correlated assets that have historically shown resilience to private market volatility.

[s] Rialto Real Estate Fund V – Debt, LP is a private real estate fund that looks to take advantage of market dislocation in the commercial real estate ("CRE") debt markets which is generating opportunities for yields at cyclical highs across CRE direct lending, bank CRE loan portfolios, and CRE debt securities.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 4 - Investments and Fair Value Measurement, continued

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

	Level 1	Level 2	Level 3	NAV	Total
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:

	Fair Value June 30, 2024	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
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, LP [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, 2025 and 2024

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] Collier International Partners IX - F, LP 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, 2025 and 2024

Note 5 - Promises to Give

Promises to give consist of the following:

	2025	2024
Due in less than one year	\$ 736,455	\$ 2,333,983
Due in one to five years	533,250	466,317
Due in more than five years	766,000	670,000
Gross promises to give	2,035,705	3,470,300
Less:		
Allowance for doubtful promises to give	-	(75,635)
Discount on promises to give (average imputed rate of 3%)	(191,589)	(169,996)
Promises to give, net	\$ 1,844,116	\$ 3,224,669

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

	2025	2024
Current	\$ 736,455	\$ 2,258,348
Non-current	1,107,661	966,321
	\$ 1,844,116	\$ 3,224,669

Note 6 - Property and Equipment

Property and equipment consist of the following:

	2025	2024
Equipment	\$ 1,562,423	\$ 1,570,589
Leasehold improvements	232,323	232,323
Improvements, other than buildings	72,963	72,963
Buildings and building improvements	12,127	12,127
	1,879,836	1,888,002
Less accumulated depreciation	(1,861,433)	(1,862,847)
	18,403	25,155
Land	3,139	3,139
	\$ 21,542	\$ 28,294

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, 2025 and 2024, the benefit obligation contribution was made by CSU Bakersfield.

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

Years Ended June 30, 2025 and 2024

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, 2025 and 2024:

Net periodic postretirement benefit cost included the following components:

	<u>2025</u>	<u>2024</u>
Service cost	\$ -	\$ -
Interest cost	39,196	36,544
Amortization net gain	<u>(105,150)</u>	<u>(108,336)</u>
Net periodic postretirement benefit cost / (income)	\$ <u><u>(65,954)</u></u>	\$ <u><u>(71,792)</u></u>

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

	<u>2025</u>	<u>2024</u>
Discount rate	5.25%	4.75%
Expected long-term rate of return	N/A	N/A
Health care cost trend rate:		
Present rate before 65	8.00%	6.50%
Present rate 65 and older	6.50%	6.50%
Ultimate rate before age 65 (year reached)	4.50%	5.00%
Ultimate rate age 65 and older (year reached)	4.50%	5.00%

	<u>2025</u>	<u>2024</u>
Total accumulated postretirement and projected benefit obligation:	\$ <u><u>903,244</u></u>	\$ <u><u>778,666</u></u>

Changes in the total postretirement benefit obligation:

	<u>2025</u>	<u>2024</u>
Beginning accrued postretirement benefit obligation	\$ 778,666	\$ 803,395
Actuarial loss	257,032	114,781
Retiree contributions:		
Net periodic postretirement cost	(65,954)	(71,792)
Estimated benefit payments	<u>(66,500)</u>	<u>(67,718)</u>
Ending accrued postretirement benefit obligation	\$ <u><u>903,244</u></u>	\$ <u><u>778,666</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**Years Ended June 30, 2025 and 2024

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

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

	<u>2025</u>	<u>2024</u>
Discount rate	5.25%	5.25%
Health care cost trend rate:		
Present rate before 65	8.00%	8.00%
Present rate 65 and older	6.50%	6.50%
Ultimate rate before age 65 (year reached)	4.50%	4.50%
Ultimate rate age 65 and older (year reached)	4.50%	4.50%

The expected net periodic postretirement benefit cost for fiscal year ending June 30, 2026:

Service cost	\$	-
Interest cost		45,503
Amortization of unrecognized net gain		<u>(79,393)</u>
Net periodic postretirement benefit costs	\$	<u><u>(33,890)</u></u>

The expected contribution for the next 10 years:

2026	\$	74,003
2027		76,533
2028		78,758
2029		68,654
2030		69,238
2031-2035		340,014

An actuarial study is completed annually. The schedule presented above is based on the study completed on July 21, 2025, as of and for the year then ended June 30, 2025.

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

Years Ended June 30, 2025 and 2024

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>2025</u>	<u>2024</u>
Purpose restrictions:		
Promises to give:		
Academic programs	\$ 528,728	\$ 1,515,622
Athletic programs	381,128	122,800
Scholarships	131,611	320,090
Academic programs	15,878,051	14,961,692
Athletic programs	1,269,005	1,692,813
Scholarships	<u>1,172,694</u>	<u>1,268,685</u>
	19,361,217	19,881,702
Endowments:		
Promises to give:		
Academic programs	503,802	892,682
Athletic programs	207,523	204,478
Scholarships	91,324	168,997
Academic programs	21,757,490	19,381,979
Scholarships	17,641,151	16,362,596
Athletic programs	<u>799,801</u>	<u>758,790</u>
	<u>41,001,091</u>	<u>37,769,522</u>
	<u>\$ 60,362,308</u>	<u>\$ 57,651,224</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>2025</u>	<u>2024</u>
Satisfaction of time and purpose restrictions:		
Academic programs	\$ 2,666,921	\$ 1,702,939
Scholarships	1,324,721	1,798,946
Athletic programs	<u>1,150,063</u>	<u>807,502</u>
	5,141,705	4,309,387
Satisfaction of time restrictions:		
General use	<u>2,000</u>	<u>-</u>
	<u>\$ 5,143,705</u>	<u>\$ 4,309,387</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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.

The policy also ensures that the competing needs of current and future generations of students and faculty are in financial equilibrium. 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, 2025 and 2024

Note 10 - Endowments, continued

The endowment net assets composition by type of fund consisted of the following as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 5,508,507	\$ -	\$ 5,508,507
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	31,307,690	31,307,690
Accumulated investment gains	-	9,693,401	9,693,401
	<u>\$ 5,508,507</u>	<u>\$ 41,001,091</u>	<u>\$ 46,509,598</u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
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 changes in endowment net assets for the year ended June 30, 2025, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,965,707	\$ 37,769,522	\$ 42,735,229
Contributions	19,218	522,414	541,632
Appropriated expenditures	(113,240)	(1,543,041)	(1,656,281)
Investment return, net	636,822	4,252,196	4,889,018
Endowment net assets, end of year	<u>\$ 5,508,507</u>	<u>\$ 41,001,091</u>	<u>\$ 46,509,598</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 10 - Endowments, continued

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

	Without Donor Restrictions	With Donor Restrictions	Total
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>

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 \$157,837, and a deficiency of \$2,713 as of June 30, 2025. 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.

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 \$5,795 and \$5,587 from underwater endowment funds during the years ended June 30, 2025 and 2024, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 11 - Contributed Nonfinancial Assets

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities include:

	2025	2024
University contract services:		
University employee services:		
General and administrative services	\$ 1,205,213	\$ 1,052,829
Fundraising services	1,193,325	1,149,247
Alumni	110,127	107,789
Rent of University facilities:		
General and administrative services	30,626	28,390
Fundraising services	30,325	30,990
Alumni	2,798	2,906
	2,572,414	2,372,151
Other supplies and services:		
Supplies	63,930	5,920
Services	12,000	30,000
Maintenance	11,276	-
Auction items	8,598	20,595
Gift cards	1,600	200
	97,404	56,715
Total contributed nonfinancial assets	\$ 2,669,818	\$ 2,428,866

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 supplies, services, maintenance, auction items, and gift cards. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

University contract services include facilities and University employees who provide direct supporting 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.

Contributed nonfinancial assets identified as other supplies and services contributions were utilized by the Athletics, Academic Support, Alumni, and Student Affairs programs. In valuing supplies, maintenance, auction items, and gift cards, the Foundation estimated fair value on the basis of comparable sales prices.

Contributed nonfinancial assets also include contributions related to medic standby services from an ambulance company utilized by the Athletics program. These services are valued and reported at the estimated fair value based on current rates for similar professional services.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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 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 reimbursements 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 and use of Foundation programming facilities and equipment. Payments to Student-centered Enterprises are for the use of Student-centered Enterprises programming facilities and equipment, and the general support of programming activities.

Transfers with related parties for the years ended June 30, 2025 and 2024, are reflected in the accompanying financial statements as follows:

	<u>2025</u>	<u>2024</u>
Transfers from:		
University	\$ <u>1,354,635</u>	\$ <u>4,839</u>
Transfers to:		
University	\$ 680,251	\$ 266,759
Sponsored Programs Administration	-	2,500
Associated Students	<u>238</u>	<u>5,700</u>
	\$ <u>680,489</u>	\$ <u>274,959</u>

For the year ended June 30, 2025, the Foundation recorded \$1,326,423 as a transfer from the University as non-operating revenues on the statement of activities. This transfer related to a prior year contribution for a capital project. Unspent funds were transferred back to Foundation and refunded to the donor in the current year.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION**Notes to Financial Statements**Years Ended June 30, 2025 and 2024

Note 12 - Transactions with Related Parties, continued

Total payments to and from related parties for the years ended June 30, 2025 and 2024 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>2025</u>	<u>2024</u>
Payments from:		
University	\$ 1,455,019	\$ 105,613
Sponsored Programs Administration	8,024	53,124
Associated Students	28,063	1,595
Student-centered Enterprises	<u>2,810</u>	<u>7,006</u>
	<u>\$ 1,493,916</u>	<u>\$ 167,338</u>
Payments to:		
University	\$ 3,673,600	\$ 2,706,381
Sponsored Programs Administration	755	7,032
Associated Students	121,250	369,161
Student-centered Enterprises	<u>18,458</u>	<u>15,739</u>
	<u>\$ 3,814,063</u>	<u>\$ 3,098,313</u>

For the years ended June 30, 2025 and 2024, the Foundation also recorded University contract services revenue and expense in the amount of \$2,572,414 and \$2,372,151, respectively (see Note 11).

Amounts reported in the statements of financial position at June 30, 2025 and 2024 as due from and due to related parties include the following:

	<u>2025</u>	<u>2024</u>
Due from related parties:		
University	\$ 4,953	\$ 14,916
Sponsored Programs Administration	2,927	946
Associated Students	<u>25,501</u>	<u>-</u>
	<u>\$ 33,381</u>	<u>\$ 15,862</u>
Due to related parties:		
University	\$ 138,235	\$ 256,696
Sponsored Programs Administration	-	350
Student-centered Enterprises	<u>12,107</u>	<u>8,502</u>
	<u>\$ 150,342</u>	<u>\$ 265,548</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 13 - Conditional Contributions

Conditional contributions consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Other programs	\$ <u>781,344</u>	\$ <u>796,305</u>

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 \$781,344 and \$796,305 conditional portions of contributions have not been recognized in the statements of activities for the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, \$5,617 and \$5,600, 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, 2025

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	17,356,052
Short-term investments	—
Accounts receivable, net	34,089
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	736,455
Prepaid expenses and other current assets	100
Total current assets	18,126,696

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	1,107,661
Endowment investments	44,755,796
Other long-term investments	1,285,739
Capital assets, net	103,712
Other assets	—
Total noncurrent assets	47,252,908
Total assets	65,379,604

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, 2025

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	340,613
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenues	5,617
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	9,187
Total current liabilities	355,417

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	903,244
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	903,244
Total liabilities	1,258,661

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	—

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Schedule of Net Position, continued

June 30, 2025

(for inclusion in the California State University)

Net position:

Net investment in capital assets	103,712
Restricted for:	
Nonexpendable – endowments	31,307,690
Expendable:	
Scholarships and fellowships	6,523,220
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	22,524,319
Unrestricted	<u>3,662,002</u>
Total net position	<u><u>64,120,943</u></u>

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

Year Ended June 30, 2025

(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 3,515,186

Total operating revenues 3,515,186**Expenses:****Operating expenses:**

Instruction —

Research —

Public service —

Academic support 2,190,699

Student services 1,445,064

Institutional support 3,912,031

Operation and maintenance of plant —

Student grants and scholarships 1,488,904

Auxiliary enterprise expenses —

Depreciation and amortization 6,752

Total operating expenses 9,043,450**Operating income (loss)** (5,528,264)

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION
Schedule of Revenues, Expenses, and Changes in Net Position, continued
Year Ended June 30, 2025
(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	2,928,161
Investment income (loss), net	478,170
Endowment income (loss), net	4,889,017
Interest expense	—
Other nonoperating revenues (expenses)	(173,577)
Net nonoperating revenues (expenses)	8,121,771
Income (loss) before other revenues (expenses)	2,593,507

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	522,414
Increase (decrease) in net position	3,115,921

Net position:

Net position at beginning of year, as previously reported	61,005,022
Restatements	—
Net position at beginning of year, as restated	61,005,022
Net position at end of year	64,120,943

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information

June 30, 2025

(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	17,356,052
Total	\$ 17,356,052

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	425,063	425,063
U.S. treasury securities	-	1,732,284	1,732,284
Municipal bonds	-	-	-
Corporate bonds	-	1,158,756	1,158,756
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Supranational	-	-	-
Mutual funds	-	3,610,465	3,610,465
Exchange traded funds	-	17,381,320	17,381,320
Equity securities	-	11,692,547	11,692,547
Alternative investments:			
Private equity (including limited partnerships)	-	2,747,753	2,747,753
Hedge funds	-	4,744,357	4,744,357
Managed futures	-	-	-
Real estate investments (including REITs)	-	2,493,639	2,493,639
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:			
Sovereign securities	-	55,351	55,351
Total Other investments	-	55,351	55,351
Total investments	-	46,041,535	46,041,535
Less endowment investments (enter as negative number)	-	(44,755,796)	(44,755,796)
Total investments, net of endowments	-	1,285,739	1,285,739

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2025

(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	425,063	-	425,063	-	-
U.S. treasury securities	1,732,284	1,732,284	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	1,158,756	-	1,158,756	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	3,610,465	3,610,465	-	-	-
Exchange traded funds	17,381,320	17,381,320	-	-	-
Equity securities	11,692,547	11,692,547	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	2,747,753	-	-	-	2,747,753
Hedge funds	4,744,357	-	-	-	4,744,357
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	2,493,639	-	-	-	2,493,639
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:					
Sovereign securities	55,351	-	55,351	-	-
Total other investments:	55,351	-	55,351	-	-
Total investments	\$ 46,041,535	\$ 34,416,616	\$ 1,639,170	\$ -	\$ 9,985,749

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, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
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, 2025

(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	1,570,589	-	-	-	1,570,589	-	(8,166)	-	1,562,423
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	2,017,095	-	-	-	2,017,095	-	(8,166)	-	2,008,929
Total capital assets	2,102,404	-	-	-	2,102,404	-	(8,166)	-	2,094,238

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	(55,482)	-	-	-	(55,482)	(3,648)	-	-	(59,130)
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(232,323)	-	-	-	(232,323)	-	-	-	(232,323)
Personal property:									
Equipment	(1,562,915)	-	-	-	(1,562,915)	(3,104)	8,166	-	(1,557,853)
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	(1,991,940)	-	-	-	(1,991,940)	(6,752)	8,166	-	(1,990,526)
Total capital assets, net excluding ROU assets	\$ 110,464	-	-	-	110,464	(6,752)	-	-	103,712

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD FOUNDATION

Other Information, continued

June 30, 2025

(for inclusion in the California State University)

Capital Assets, Right of Use

Composition of lease assets:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
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, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
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, 2025

(for inclusion in the California State University)

Composition of capital assets - P3 ROU, net:	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
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									103,712

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		-
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, 2025

(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	1,014,830
Payments to University for other than salaries of University personnel	2,658,770
Payments received from University for services, space, and programs	1,455,019
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	(138,235)
Other amounts (payable to) University	-
Accounts receivable from University	4,953
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	595,279	109,596	—	—	—	1,485,824	—	2,190,699
Student services	463,108	47,598	—	191,466	—	742,892	—	1,445,064
Institutional support	3,055	306,708	—	—	—	3,602,268	—	3,912,031
Operation and maintenance of plant	—	—	—	—	—	—	—	-
Student grants and scholarships	—	—	—	—	1,488,904	—	—	1,488,904
Auxiliary enterprise expenses	—	—	—	—	—	—	—	-
Depreciation and amortization	—	—	—	—	—	—	6,752	6,752
Total operating expenses	\$ 1,061,442	463,902	-	191,466	1,488,904	5,830,984	6,752	9,043,450

No pension plan reported

N/A

10 Deferred outflows/inflows of resources: Not Applicable

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	1,326,423
Other nonoperating (expenses)	(1,500,000)
Total other nonoperating revenues (expenses)	(173,577)

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
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, 2025, 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 17, 2025.

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 17, 2025

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

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

Years Ended June 30, 2025 and 2024



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.
Financial Statements with Supplemental Information
Years Ended June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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 pages 15-23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025, 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, 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 16, 2025

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

June 30, 2025 and 2024

ASSETS	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash	\$ 3,880,830	\$ 3,554,610
Accounts receivable	10,351	9,200
Due from related parties	<u>61,340</u>	<u>49,703</u>
Total Current Assets	3,952,521	3,613,513
Non-Current Assets:		
Property and Equipment, net of accumulated depreciation	484,670	557,875
Right-of-Use Assets, net of accumulated amortization	<u>930</u>	<u>11,445</u>
Total Non-Current Assets	<u>485,600</u>	<u>569,320</u>
Total Assets	<u>\$ 4,438,121</u>	<u>\$ 4,182,833</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 112,292	\$ 137,540
Due to related parties	90,688	86,297
Current portion of operating lease liabilities	<u>1,012</u>	<u>10,549</u>
Total Current Liabilities	203,992	234,386
Operating Lease Liabilities, net of current portion	<u>-</u>	<u>896</u>
Total Liabilities	203,992	235,282
Net Assets - Without Donor Restrictions	<u>4,234,129</u>	<u>3,947,551</u>
Total Liabilities and Net Assets	<u>\$ 4,438,121</u>	<u>\$ 4,182,833</u>

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

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue and Support Without Donor Restrictions:		
University contract services (Note 6)	\$ 4,731,283	\$ 4,599,422
Program activity fees	1,435,500	1,423,200
Facility rental	194,152	181,589
Membership fees	99,352	89,610
Other operating revenues	<u>71,443</u>	<u>67,902</u>
 Total Revenue and Support Without Donor Restrictions	 6,531,730	 6,361,723
 Expenses:		
Program services:		
Student Union	1,091,283	1,022,267
Campus Recreation and Wellbeing	3,641,285	3,631,600
Student Housing and Residential Life	864,288	976,640
Supporting services - general and administrative	<u>648,296</u>	<u>479,507</u>
 Total Expenses	 <u>6,245,152</u>	 <u>6,110,014</u>
 Change in Net Assets	 286,578	 251,709
 Net Assets - Without Donor Restrictions, beginning	 <u>3,947,551</u>	 <u>3,695,842</u>
 Net Assets - Without Donor Restrictions, ending	 <u>\$ 4,234,129</u>	 <u>\$ 3,947,551</u>

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

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services				General and Administrative	
	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total		Total
University contract expenses (Note 6)	\$ 933,934	\$ 2,799,675	\$ 548,474	\$ 4,282,083	\$ 449,200	\$ 4,731,283
Utilities	48,795	503,985	268,120	820,900	90,014	910,914
Supplies and contract services	98,582	134,823	23,868	257,273	13,180	270,453
Depreciation	-	120,602	-	120,602	-	120,602
Insurance	-	-	-	-	45,688	45,688
Information technology	-	27,909	4,388	32,297	9,197	41,494
Accounting	-	-	-	-	24,785	24,785
Advertising and promotion	-	20,484	-	20,484	-	20,484
Minor equipment	-	11,675	3,515	15,190	2,295	17,485
Office expense	4,191	3,855	3,873	11,919	-	11,919
Travel	2,527	8,740	-	11,267	-	11,267
Amortization, ROU Asset - lease expense	-	-	11,202	11,202	-	11,202
Bank fees	-	-	-	-	9,711	9,711
Miscellaneous	3,254	2,968	848	7,070	108	7,178
Dues and subscriptions	-	2,955	-	2,955	3,393	6,348
Conference, conventions, and meetings	-	3,614	-	3,614	725	4,339
Total Expenses	\$ <u>1,091,283</u>	\$ <u>3,641,285</u>	\$ <u>864,288</u>	\$ <u>5,596,856</u>	\$ <u>648,296</u>	\$ <u>6,245,152</u>

See accompanying notes to financial statements.

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

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services				General and Administrative	
	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total		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 Cash Flows**

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 286,578	\$ 251,709
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	120,602	151,445
Noncash operating lease expense	82	-
Changes in operating assets and liabilities:		
Accounts receivable	(1,151)	(6,082)
Due from related parties	(11,637)	(15,524)
Accounts payable and accrued expenses	(25,248)	(167,489)
Due to related parties	<u>4,391</u>	<u>(47,669)</u>
Net Cash Provided by Operating Activities	373,617	166,390
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	<u>(47,397)</u>	<u>(63,651)</u>
Net Increase in Cash	326,220	102,739
Cash, beginning	<u>3,554,610</u>	<u>3,451,871</u>
Cash, ending	<u>\$ 3,880,830</u>	<u>\$ 3,554,610</u>

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

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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 nonprofit auxiliary organization of California State University, Bakersfield (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.

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, 2025 and 2024.

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 years ended June 30, 2025 and 2024, and therefore, no amounts have been accrued.

Accounts Receivable

Accounts receivable arise in the normal course of operations. Accounts receivable are recorded at unpaid balances less any allowance for credit losses using a forward-looking expected credit loss 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. Based on this review, management has determined that an allowance for credit loss is not necessary for years ended June 30, 2025 and 2024.

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

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

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 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 fewer 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 16, 2025, 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 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.

	2025	2024
Cash	\$ 3,880,830	\$ 3,554,610
Accounts receivable	10,351	9,200
Due from related parties	61,340	49,703
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,952,521	\$ 3,613,513

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

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Liquidity and Availability, continued

The Organization is substantially supported by program activity fees collected by the University and 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 as of June 30, 2025 and 2024:

	2025	2024
Equipment	\$ 1,306,260	\$ 1,258,863
Improvements, other than buildings	424,297	424,297
	1,730,557	1,683,160
Less accumulated depreciation	(1,245,887)	(1,125,285)
	<u>\$ 484,670</u>	<u>\$ 557,875</u>

Note 5 - Revenue Recognition

Significant Judgments

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

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

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

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 6 - University Contract Services

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

	2025	2024
University employee services:		
Programming services	\$ 2,832,330	\$ 2,820,377
General and administrative services	449,200	324,784
University supplies	36,553	41,061
Rent of University facilities	1,413,200	1,413,200
Total University contract services	<u>\$ 4,731,283</u>	<u>\$ 4,599,422</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.

Note 7 - Related Party Transactions

The Organization receives program activity fees from the University to provide 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 costs 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 STUDENT-CENTERED ENTERPRISES, INC.**Notes to Financial Statements**Years Ended June 30, 2025 and 2024

Note 7 - Related Party Transactions, continued

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.

Related party transactions as of and for the years ended June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Payments received from:		
University	\$ 1,551,829	\$ 1,512,679
Sponsored Programs Administration	13,782	58,600
Foundation	18,458	15,739
Associated Students	<u>12,930</u>	<u>16,298</u>
	<u>\$ 1,596,999</u>	<u>\$ 1,603,316</u>
Payments to:		
University	\$ 1,080,160	\$ 890,068
Foundation	2,810	7,006
Associated Students	<u>8,500</u>	<u>9,000</u>
	<u>\$ 1,091,470</u>	<u>\$ 906,074</u>
Due from related parties:		
University	\$ 43,467	\$ 32,233
Sponsored Programs Administration	1,869	6,150
Foundation	12,107	8,502
Associated Students	<u>3,897</u>	<u>2,818</u>
	<u>\$ 61,340</u>	<u>\$ 49,703</u>
Due to related parties:		
University	\$ 90,188	\$ 86,297
Associated Students	<u>500</u>	<u>-</u>
	<u>\$ 90,688</u>	<u>\$ 86,297</u>

In addition to the related party transactions noted above, the Organization also recorded University contract services revenue and expense in the amount of \$4,731,283 and \$4,599,422 at June 30, 2025 and 2024, respectively (see Note 6).

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Notes to Financial Statements**Years Ended June 30, 2025 and 2024

Note 8 - Leasing Arrangements

The Organization leases equipment under a long-term noncancelable operating lease agreement. Base monthly rental payments were \$1,015 as of June 30, 2025.

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.

Operating right-of-use assets as of June 30 2025, and 2024, are as follows:

	2025	2024
<u>Operating Leases</u>		
Operating lease right-of-use assets	\$ 930	\$ 11,445
Current portion of operating lease liabilities	\$ 1,012	\$ 10,549
Operating lease liabilities, net of current portion	-	896
Total operating lease liabilities	\$ 1,012	\$ 11,445

The amounts contractually due on lease liabilities were as follows as of June 30, 2025:

Year Ending June 30,	Operating
<u>2026</u>	<u>\$ 1,015</u>
Total lease payments	1,015
Less amount representing imputed interest	(3)
Present value of lease liabilities	\$ 1,012

Lease expense for the years ended June 30, 2025 and 2024, was \$11,202 and \$10,788, respectively.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT-CENTERED ENTERPRISES, INC.**Notes to Financial Statements**Years Ended June 30, 2025 and 2024

Note 8 - Leasing Arrangements, continued

As of June 30, 2025 and 2024, supplemental cash flow information was as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 11,679	\$ 10,176

Supplemental statement of financial position information as of June 30 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term - Operating leases	0.1	1.1
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.

SUPPLEMENTAL INFORMATION

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

Year Ended June 30, 2025

	Student Union	Campus Recreation and Wellbeing	Student Housing and Residential Life	Total
Unrestricted Revenue and Other Support:				
University contract services	\$ 1,091,297	\$ 3,016,511	\$ 623,475	\$ 4,731,283
Program activity fees	189,000	844,000	402,500	1,435,500
Facility rental	55,293	111,604	27,255	194,152
Membership fees	-	99,352	-	99,352
Other operating revenues	<u>1,037</u>	<u>32,797</u>	<u>37,609</u>	<u>71,443</u>
Total Revenue and Support Without Donor Restrictions	1,336,627	4,104,264	1,090,839	6,531,730
Expenses:				
Program services	1,091,283	3,641,285	864,288	5,596,856
Supporting services - general and administrative	<u>194,040</u>	<u>276,880</u>	<u>177,376</u>	<u>648,296</u>
Total Operating Expenses	<u>1,285,323</u>	<u>3,918,165</u>	<u>1,041,664</u>	<u>6,245,152</u>
Change in Net Assets	51,304	186,099	49,175	286,578
Net Assets (Deficit) - Without Donor Restrictions, beginning	<u>1,609,088</u>	<u>2,426,779</u>	<u>(88,316)</u>	<u>3,947,551</u>
Net Assets (Deficit) - Without Donor Restrictions, ending	<u>\$ 1,660,392</u>	<u>\$ 2,612,878</u>	<u>\$ (39,141)</u>	<u>\$ 4,234,129</u>

See independent auditor's report.

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

Schedule 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	\$ 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
	<u>1,289,517</u>	<u>3,957,127</u>	<u>1,115,079</u>	<u>-</u>	<u>6,361,723</u>
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
	<u>1,196,594</u>	<u>3,759,491</u>	<u>1,153,472</u>	<u>457</u>	<u>6,110,014</u>
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	<u>1,516,165</u>	<u>2,229,143</u>	<u>(49,923)</u>	<u>457</u>	<u>3,695,842</u>
Net Assets (Deficit) - Without Donor Restrictions, ending	<u>\$ 1,609,088</u>	<u>\$ 2,426,779</u>	<u>\$ (88,316)</u>	<u>\$ -</u>	<u>\$ 3,947,551</u>

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

June 30, 2025

(for inclusion in the California State University)

Assets:**Current assets:**

Cash and cash equivalents	3,880,830
Short-term investments	-
Accounts receivable, net	71,691
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-

Total current assets3,952,521**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	485,600
Other assets	-

Total noncurrent assets485,600**Total assets**4,438,121**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, 2025

(for inclusion in the California State University)

Liabilities:**Current liabilities:**

Accounts payable	202,980
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	1,012
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	-

Total current liabilities203,992**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-**Total liabilities**203,992**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	484,670
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	3,749,459
Total net position	<u><u>4,234,129</u></u>

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

Year Ended June 30, 2025

(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	6,531,730

Total operating revenues6,531,730**Expenses:****Operating expenses:**

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	5,082,886
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	1,041,664
Depreciation and amortization	120,602

Total operating expenses6,245,152**Operating income (loss)**286,578**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)**286,578

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

Increase (decrease) in net position286,578**Net position:**

Net position at beginning of year, as previously reported	3,947,551
Restatements	-
Net position at beginning of year, as restated	<u>3,947,551</u>
Net position at end of year	<u>4,234,129</u>

See independent auditor's report.

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

Other Information

June 30, 2025

(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	3,880,830
Total	\$ 3,880,830

2.1 Composition of investments: Not Applicable

Not Applicable

2.2 Fair value hierarchy in investments: Not Applicable

Not Applicable

Investments held by the University under contractual agreements: Not

2.3 Applicable

Not Applicable

3.1 Composition of capital assets:

Composition of capital assets, excluding ROU assets:	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
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	1,258,863	-	-	-	1,258,863	47,397	-	-	1,306,260
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	1,683,160	-	-	-	1,683,160	47,397	-	-	1,730,557
Total capital assets	1,683,160	-	-	-	1,683,160	47,397	-	-	1,730,557
Less accumulated depreciation/amortization:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	(379,360)	-	-	-	(379,360)	-	-	-	(379,360)
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(33,019)	-	-	-	(33,019)	(4,689)	-	-	(37,708)
Personal property:									
Equipment	(712,906)	-	-	-	(712,906)	(115,913)	-	-	(828,819)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:									
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(1,125,285)	-	-	-	(1,125,285)	(120,602)	-	-	(1,245,887)
Total capital assets, net excluding ROU assets	\$ 557,875	-	-	-	\$ 557,875	(73,205)	-	-	484,670

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

Other Information

June 30, 2025

(for inclusion in the California State University)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
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	-	1,159	-	32,596
Total depreciable/amortizable lease assets	31,437	-	-	-	31,437	-	1,159	-	32,596
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	(19,992)	-	-	-	(19,992)	(10,933)	(741)	-	(31,666)
Total accumulated depreciation/amortization	(19,992)	-	-	-	(19,992)	(10,933)	(741)	-	(31,666)
Total capital assets - lease ROU, net	11,445	-	-	-	11,445	(10,933)	418	-	930

Composition of capital assets - SBTA ROU, net	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Depreciable/Amortizable SBTA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBTA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBTA ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - P3 ROU, net:	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
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 485,600

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

Other Information

June 30, 2025

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 120,602
Amortization expense - Leases ROU	10,933
Amortization expense - SBTA ROU	-
Amortization expense - P3 ROU	-

Depreciation and Amortization expense - Others	(10,933)	Lease exp included in Student
Total depreciation and amortization	<u>\$ 120,602</u>	Provide explanation for others: Housing Supp & Svcs

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Reclassifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	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	-	-	-	-	-	-	-	-

5. Lease, SBTA, P3 liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
Lease liabilities	11,445	-	-	1,246	(11,679)	1,012	1,012	-
SBTA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBTA, P3 liabilities	<u>\$ 11,445</u>	-	-	<u>1,246</u>	<u>(11,679)</u>	<u>1,012</u>	<u>1,012</u>	<u>-</u>
Total long-term liabilities						<u>\$ 1,012</u>	<u>\$ 1,012</u>	<u>-</u>

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

Year ending June 30:	Lease Liabilities			SBTA liabilities			Public-Private or Public-Public 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	Principal Only	Interest Only	Principal and
2026	\$ 1,012	-	3	1,015	-	-	-	-	-	1,012	3	1,015
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum lease payments	<u>\$ 1,012</u>	<u>3</u>	<u>1,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012</u>	<u>3</u>	<u>1,015</u>
Less: amounts representing interest												(3)
Present value of future minimum lease payments												<u>1,012</u>
Total Leases, SBTA, P3 liabilities												<u>1,012</u>
Less: current portion												<u>(1,012)</u>
Leases, SBTA, P3 liabilities, net of current portion												<u>\$ -</u>

(for inclusion in the California State University)

Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and	Supplies and other services	Depreciation and	Total operating expenses
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,082,886	-	5,082,886
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,041,664	-	1,041,664
-	-	-	-	-	-	120,602	120,602
\$-	-	-	-	-	6,124,550	120,602	6,245,152

11 Other nonoperating revenues (expenses):	Not Applicable
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**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, 2025, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2025.

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 16, 2025