



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

Financial Statements and Supplemental Information

Years Ended June 30, 2016 and 2015



ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Financial Statements and Supplemental Information
Years Ended June 30, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Associated Students, California State University, Bakersfield, Inc.

We have audited the accompanying financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, California State University, Bakersfield, Inc. as of June 30, 2016 and 2015, 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.

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Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 11-23 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

AKT LLP

San Diego, California
September 9, 2016

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Statements of Financial Position
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current Assets:		
Cash	\$ 1,443,526	\$ 706,538
Investments	273,344	596,842
Accounts receivable	57,165	54,629
Due from related parties	18,976	8,229
Prepaid expenses and other current assets	<u>65</u>	<u>211</u>
Total Current Assets	1,793,076	1,366,449
Property and Equipment, net of accumulated depreciation	<u>102,436</u>	<u>128,509</u>
Total Assets	\$ <u><u>1,895,512</u></u>	\$ <u><u>1,494,958</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 58,744	\$ 46,606
Deferred revenue	103,054	112,139
Due to related parties	182,091	257,378
Deposits in excess of withdrawals for agency accounts	<u>188,682</u>	<u>160,983</u>
Total Current Liabilities	532,571	577,106
Net Assets - Unrestricted	<u>1,362,941</u>	<u>917,852</u>
Total Liabilities and Net Assets	\$ <u><u>1,895,512</u></u>	\$ <u><u>1,494,958</u></u>

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

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Unrestricted Revenue and Other Support:		
Student fees	\$ 3,354,400	\$ 3,101,950
Miscellaneous	8,399	700
Interest	<u>7,750</u>	<u>14,970</u>
Total Unrestricted Revenue and Other Support	3,370,549	3,117,620
Expenses:		
Program services	2,632,292	2,653,681
General and administrative	<u>293,168</u>	<u>384,103</u>
Total Expenses	<u>2,925,460</u>	<u>3,037,784</u>
Change in Net Assets	445,089	79,836
Net Assets, beginning	<u>917,852</u>	<u>838,016</u>
Net Assets, ending	<u>\$ 1,362,941</u>	<u>\$ 917,852</u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Change in net assets	\$ 445,089	\$ 79,836
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	26,073	27,072
Changes in operating assets and liabilities:		
Accounts receivable	(2,536)	4,948
Due from related parties	(10,747)	336,700
Prepaid expenses and other assets	146	(130)
Accounts payable and accrued expenses	12,138	(33,423)
Deferred revenue	(9,085)	14,922
Due to related parties	(75,287)	23,469
Deposits in excess of withdrawals for agency accounts	27,699	25,601
Net Cash Provided by Operating Activities	413,490	478,995
Cash Flows from Investing Activities:		
Purchases of investments	(13,864,919)	(5,264,038)
Proceeds from sale of investments	14,188,417	5,478,698
Net Cash Provided by Investing Activities	323,498	214,660
Net Increase in Cash	736,988	693,655
Cash, beginning	706,538	12,883
Cash, ending	\$ <u>1,443,526</u>	\$ <u>706,538</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2016 and 2015

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

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

Basis of Presentation

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

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

The Organization had no temporarily restricted or permanently restricted net assets during the years ended June 30, 2016 and 2015.

Use of Estimates

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

Income Taxes

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

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2016 and 2015 and therefore, no amounts have been accrued.

Investments

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

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2016 and 2015

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

Accounts Receivable

The 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. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

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

Deferred Revenue

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

Deposits in Excess of Withdrawals for Agency Accounts

The Organization holds funds for on-campus clubs to fund club activities. These monies can be drawn upon at any time.

Student Fees

Each matriculated student of the University is required to pay \$123 and \$121 per quarter for student body fees for the years ended June 30, 2016 and 2015, respectively. These payments support the Organization's operations and are recognized as revenue when the students enroll.

Functional Allocation of Expenses

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

Fair Value Measurements

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

The three levels are defined as follows:

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

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

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

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

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2016 and 2015

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

Fair Value Measurements, continued

The fair value of the investments held by the pooled SWIFT account explained in Note 3 reflect the Organization's pro rata share of the market value of the underlying assets in the account.

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

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2016 and 2015, due to the relative short maturities of these instruments.

Subsequent Events

The Organization has evaluated subsequent events through September 9, 2016, which is the date the financial statements were available to be issued.

Note 2 – 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. At June 30, 2016, the Organization had approximately \$1,208,000 that was exposed to uninsured deposit risk. In addition, the Organization has deposited cash pooled with the California State University, US Bank SWIFT account. The Organization manages this risk by using high-quality financial institutions.

Note 3 – Investments and Fair Value Measurement

The Organization's investments are pooled and invested with the California State University, Bakersfield's US Bank SWIFT account to take advantage of an effective investment program. Securities within the investment pool are not insured. In addition, the securities are not held in the Organization's name, but in the name of the CSU. The Organization's share of the pool is determined based on its proportionate interest in the University's investment pool account. The Organization's share of pooled investments was \$273,344 and \$596,842 at June 30, 2016 and 2015, respectively. Investments held in the investment pool are reported as short-term investments included in current assets on the statements of net position.

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

All investments held by the Organization are considered to be Level 2 investments.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Notes to Financial Statements**Years Ended June 30, 2016 and 2015

Note 4 – Property and Equipment

Property and equipment consist of the following:

	2016	2015
Equipment	\$ 57,806	\$ 57,806
Leasehold improvements	254,852	254,852
	<u>312,658</u>	<u>312,658</u>
Less accumulated depreciation	<u>(210,222)</u>	<u>(184,149)</u>
	<u>\$ 102,436</u>	<u>\$ 128,509</u>

Note 5 – Operating Leases

The Organization leases 1,220 square feet of office space at California State University, Bakersfield from California State University, Bakersfield Student Union, Inc. under non-cancellable agreements expiring through June 2019. Monthly lease payments range from \$2,013 to \$2,355 throughout the contract.

Minimum future lease payments as of June 30, 2016 are due as follows:

Years Ending June 30,	
2017	\$ 26,206
2018	27,230
2019	28,255
Thereafter	<u>-</u>
	<u>\$ 81,691</u>

Rental expense was \$26,697 and \$24,636 for the years ended June 30, 2016 and 2015, respectively.

Note 6 – Related Party Transactions

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

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

California State University, Bakersfield Student Union, Inc. (Student Union) functions to benefit the student body of the University by operating various campus programs. The Student Union provides facilities for the Organization to conduct its operations. The Organization pays the Student Union for the use of these facilities as provided by the student body.

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

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Notes to Financial Statements**Years Ended June 30, 2016 and 2015

Note 6 – Related Party Transactions, continued

Related party transactions as of and for the years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Expenses:		
Program fees:		
University	\$ 2,830,868	\$ 2,321,966
Foundation	22,125	14,493
Sponsored Programs Administration	81,909	-
Student Union	<u>33,774</u>	<u>29,396</u>
	<u>\$ 2,968,676</u>	<u>\$ 2,365,855</u>
Due from:		
University	\$ 16,180	\$ 7,614
Foundation	2,532	615
Student Union	<u>264</u>	<u>-</u>
	<u>\$ 18,976</u>	<u>\$ 8,229</u>
Due to:		
University	\$ 174,177	\$ 244,540
Foundation	75	65
Student Union	<u>7,839</u>	<u>12,773</u>
	<u>\$ 182,091</u>	<u>\$ 257,378</u>

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2016

	Program Services	General and Administrative	Total
	<u> </u>	<u> </u>	<u> </u>
Scholarships	\$ 1,920,970	\$ 38,100	\$ 1,959,070
Supplies	430,399	98,705	529,104
Travel	156,344	17,749	174,093
Salaries	35,167	30,176	65,343
Services from other agencies	20,800	27,367	48,167
Benefits	15,003	12,374	27,377
Rent	-	26,697	26,697
Depreciation	17,814	8,259	26,073
Expendable equipment	20,751	-	20,751
Conference and meetings	4,448	12,834	17,282
Professional fees	10,116	1,384	11,500
Insurance	-	8,624	8,624
Advertising	-	4,699	4,699
Recruitment	-	3,048	3,048
Telephone	401	1,925	2,326
Printing and publications	79	1,168	1,247
Repairs and maintenance	-	59	59
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 2,632,292</u>	<u>\$ 293,168</u>	<u>\$ 2,925,460</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2015

	Program Services	General and Administrative	Total
	<u> </u>	<u> </u>	<u> </u>
Scholarships	\$ 1,922,451	\$ 37,842	\$ 1,960,293
Supplies	427,388	87,449	514,837
Travel	215,097	20,497	235,594
Salaries	14,264	82,730	96,994
Benefits	1,430	55,191	56,621
Services from other agencies	21,895	21,370	43,265
Depreciation	18,813	8,259	27,072
Expendable equipment	18,359	8,611	26,970
Rent	-	24,636	24,636
Conference and meetings	6,480	10,851	17,331
Professional fees	6,700	3,300	10,000
Insurance	-	8,268	8,268
Advertising	-	5,455	5,455
Dues and subscriptions	204	3,230	3,434
Telephone	419	2,616	3,035
Recruitment	-	2,263	2,263
Printing and publications	117	1,535	1,652
Repairs and mainenance	64	-	64
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 2,653,681</u>	<u>\$ 384,103</u>	<u>\$ 3,037,784</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Activities by Fund

Year Ended June 30, 2016

	<u>ASI Administration</u>	<u>Athletic Referendum</u>	<u>Children's Center Referendum</u>	<u>NCAA Referendum</u>	<u>Club Referendum</u>	<u>AVC Referendum</u>	<u>Total</u>
Unrestricted Revenue and Other Support:							
Fees	\$ 436,361	\$ 381,860	\$ 136,238	\$ 2,236,193	\$ 109,061	\$ 54,687	\$ 3,354,400
Miscellaneous	399	-	-	-	-	8,000	8,399
Interest	4,451	529	165	2,124	345	136	7,750
	<u>441,211</u>	<u>382,389</u>	<u>136,403</u>	<u>2,238,317</u>	<u>109,406</u>	<u>62,823</u>	<u>3,370,549</u>
Total Unrestricted Revenue and Other Support							
Expenses:							
Program services	-	379,125	128,151	1,939,888	91,016	94,112	2,632,292
General and administrative	293,168	-	-	-	-	-	293,168
	<u>293,168</u>	<u>379,125</u>	<u>128,151</u>	<u>1,939,888</u>	<u>91,016</u>	<u>94,112</u>	<u>2,925,460</u>
Total Expenses							
Change in net assets	148,043	3,264	8,252	298,429	18,390	(31,289)	445,089
Net Assets, beginning	<u>566,518</u>	<u>6,636</u>	<u>(4,754)</u>	<u>66,807</u>	<u>153,088</u>	<u>129,557</u>	<u>917,852</u>
Net Assets, ending	<u>\$ 714,561</u>	<u>\$ 9,900</u>	<u>\$ 3,498</u>	<u>\$ 365,236</u>	<u>\$ 171,478</u>	<u>\$ 98,268</u>	<u>\$ 1,362,941</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Activities by Fund

Year Ended June 30, 2015

	<u>ASI Administration</u>	<u>Athletic Referendum</u>	<u>Children's Center Referendum</u>	<u>NCAA Referendum</u>	<u>Club Referendum</u>	<u>AVC Referendum</u>	<u>Total</u>
Unrestricted Revenue and Other Support:							
Fees	\$ 386,621	\$ 359,029	\$ 122,457	\$ 2,080,134	\$ 102,576	\$ 51,133	\$ 3,101,950
Miscellaneous	-	-	-	-	-	700	700
Interest	8,056	1,696	306	3,222	1,166	524	14,970
Total Unrestricted Revenue and Other Support	394,677	360,725	122,763	2,083,356	103,742	52,357	3,117,620
Expenses:							
Program services	-	362,505	128,857	2,021,659	63,195	77,465	2,653,681
General and administrative	384,103	-	-	-	-	-	384,103
Total Expenses	384,103	362,505	128,857	2,021,659	63,195	77,465	3,037,784
Change in net assets	10,574	(1,780)	(6,094)	61,697	40,547	(25,108)	79,836
Net Assets, beginning	555,944	8,416	1,340	5,110	112,541	154,665	838,016
Net Assets (Deficit), ending	<u>\$ 566,518</u>	<u>\$ 6,636</u>	<u>\$ (4,754)</u>	<u>\$ 66,807</u>	<u>\$ 153,088</u>	<u>\$ 129,557</u>	<u>\$ 917,852</u>

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Net Position

June 30, 2016

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 1,443,526
Short-term investments	273,344
Accounts receivable, net	76,141
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	65
Total current assets	1,793,076

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases 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	102,436
Other assets	—
Total noncurrent assets	102,436

Total assets **1,895,512**

Deferred outflows of resources:

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

Liabilities:

Current liabilities:

Accounts payable	218,528
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenue	103,054
Capitalized lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	210,989
Total current liabilities	532,571

Noncurrent liabilities:

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

Total liabilities **532,571**

Deferred inflows of resources:

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

Net Position:

Net investment in capital assets	102,436
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	1,260,505
Total net position	\$ 1,362,941

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

Year Ended June 30, 2016

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$0)	\$	3,354,400
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)		—
Other operating revenues		8,399
Total operating revenues		<u>3,362,799</u>
Expenses:		
Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		940,317
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		1,959,070
Auxiliary enterprise expenses		—
Depreciation and amortization		26,073
Total operating expenses		<u>2,925,460</u>
Operating income (loss)		<u>437,339</u>
Nonoperating revenues (expenses):		
State appropriations, noncapital		—
Federal financial aid grants, noncapital		—
State financial aid grants, noncapital		—
Local financial aid grants, noncapital		—
Nongovernmental and other financial aid grants, noncapital		—
Other federal nonoperating grants, noncapital		—
Gifts, noncapital		—
Investment income (loss), net		7,750
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses)		—
Net nonoperating revenues (expenses)		<u>7,750</u>
Income (loss) before other revenues (expenses)		445,089
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		<u>445,089</u>
Net position:		
Net position at beginning of year, as previously reported		917,852
Restatements		—
Net position at beginning of year, as restated		<u>917,852</u>
Net position at end of year	\$	<u><u>1,362,941</u></u>

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ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

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(for inclusion in the California State University)

1 Restricted cash and cash equivalents at June 30, 2016:

Portion of restricted cash and cash equivalents related to endowments	\$	—
All other restricted cash and cash equivalents		—
Total restricted cash and cash equivalents	\$	—

2.1 Composition of investments at June 30, 2016:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—	—	—	—	—
Corporate bonds	81,944	—	81,944	—	—	—	81,944
Certificates of deposit	20,820	—	20,820	—	—	—	20,820
Mutual funds	—	—	—	—	—	—	—
Money Market funds	1,271	—	1,271	—	—	—	1,271
Repurchase agreements	1,572	—	1,572	—	—	—	1,572
Commercial paper	772	—	772	—	—	—	772
Asset backed securities	16,845	—	16,845	—	—	—	16,845
Mortgage backed securities	55	—	55	—	—	—	55
Municipal bonds	2,776	—	2,776	—	—	—	2,776
U.S. agency securities	87,167	—	87,167	—	—	—	87,167
U.S. treasury securities	60,122	—	60,122	—	—	—	60,122
Equity securities	—	—	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:	—	—	—	—	—	—	—
Private equity (including limited partnerships)	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	—	—	—
Other external investment pools (excluding SWIFT)	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	<u>273,344</u>	<u>—</u>	<u>273,344</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>273,344</u>
Less endowment investments (enter as negative number)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total investments	<u>273,344</u>	<u>—</u>	<u>273,344</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>273,344</u>

2.2 Investments held by the University under contractual agreements at June 30, 2016:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2016 :	273,344	—	273,344	—	—	—	273,344
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ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

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2.3 Restricted current investments at June 30, 2016 related to:	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2016	\$ —

2.4 Restricted noncurrent investments at June 30, 2016 related to:	Amount
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2016	\$ —

2.5 Fair value hierarchy in investments at June 30, 2016:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—	—	—
Corporate bonds	81,944	—	81,944	—	—
Certificates of deposit	20,820	—	20,820	—	—
Mutual funds	—	—	—	—	—
Money Market funds	1,271	—	1,271	—	—
Repurchase agreements	1,572	—	1,572	—	—
Commercial paper	772	—	772	—	—
Asset backed securities	16,845	—	16,845	—	—
Mortgage backed securities	55	—	55	—	—
Municipal bonds	2,776	—	2,776	—	—
U.S. agency securities	87,167	—	87,167	—	—
U.S. treasury securities	60,122	—	60,122	—	—
Equity securities	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:	—	—	—	—	—
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	273,344	—	273,344	—	—

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Other Information

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3.2 Detail of depreciation and amortization expense for the year ended June 30, 2016:

Depreciation and amortization expense related to capital assets	\$	26,073
Amortization expense related to other assets		—
Total depreciation and amortization	\$	<u>26,073</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2015	Prior period adjustments	Reclassifications	Balance June 30, 2015 (restated)	Additions	Reductions	Balance June 30, 2016	Current portion	Long-term portion
Accrued compensated absences	\$ 5,634	—	—	5,634	—	(5,634)	—	—	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 5,634	—	—	5,634	—	(5,634)	—	—	—

5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2017	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022 - 2026	—	—	—	—	—	—	—	—	—
2027 - 2031	—	—	—	—	—	—	—	—	—
2032 - 2036	—	—	—	—	—	—	—	—	—
2037 - 2041	—	—	—	—	—	—	—	—	—
2042 - 2046	—	—	—	—	—	—	—	—	—
2047 - 2051	—	—	—	—	—	—	—	—	—
2052 - 2056	—	—	—	—	—	—	—	—	—
2057 - 2061	—	—	—	—	—	—	—	—	—
2062 - 2066	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capitalized lease obligations									—
Less: current portion									—
Capitalized lease obligation, net of current portion									\$ —

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6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2017	\$ —	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022 - 2026	—	—	—	—	—	—	—	—	—
2027 - 2031	—	—	—	—	—	—	—	—	—
2032 - 2036	—	—	—	—	—	—	—	—	—
2037 - 2041	—	—	—	—	—	—	—	—	—
2042 - 2046	—	—	—	—	—	—	—	—	—
2047 - 2051	—	—	—	—	—	—	—	—	—
2052 - 2056	—	—	—	—	—	—	—	—	—
2057 - 2061	—	—	—	—	—	—	—	—	—
2062 - 2066	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

7 Calculation of net position

7.1 Calculation of net position - net investment in capital assets

Capital assets, net of accumulated depreciation	\$ 102,436
Capitalized lease obligations, current portion	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, current portion	—
Long-term debt obligations, net of current portion	—
Portion of outstanding debt that is unspent at year-end	—
Other adjustments: (please list)	
Add description	—
Net position - net investment in capital asset	\$ 102,436

7.2 Calculation of net position - restricted for nonexpendable - endowments

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

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8 Transactions with related entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 97,441
Payments to University for other than salaries of University personnel	2,733,427
Payments received from University for services, space, and programs	—
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	—
Other amounts (payable to) University (enter as negative number)	(174,177)
Accounts receivable from University	16,180
Other amounts receivable from University	—

9 Other postemployment benefits obligation (OPEB)

Annual required contribution (ARC)	\$ —
Contributions during the year	—
Increase (decrease) in net OPEB obligation (NOO)	—
Other adjustments	—
NOO - beginning of year	—
NOO - end of year	\$ —

10 Pollution remediation liabilities under GASB Statement No. 49:

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

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

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2015, as previously reported		\$ 917,852
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2015, as restated		\$ 917,852

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

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

See independent auditors' report.