

Associated Students, California State University, Bakersfield, Inc.

Financial Statements and Supplemental Information
Years Ended June 30, 2018 and 2017 (As Restated)



ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Financial Statements and Supplemental Information
Years Ended June 30, 2018 and 2017 (As Restated)

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplemental Information:	
Schedules of Expenses by Natural Classification	12
Schedules of Activities by Fund	14
Supplemental Information for Inclusion in the California State University:	
Schedule of Net Position	16
Schedule of Revenues, Expenses, and Changes in Net Position	17
Other Information	18

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, 2018 and 2017, 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.

Auditors' Responsibility

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

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

We believe 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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 12-24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Restatement

As discussed in Note 7 to the financial statements, Associated Students, California State University, Bakersfield, Inc. has adjusted the net asset balance as of June 30, 2017, to account for the change in reporting of the clubs activities that was not included in the statement of activities for the year ended June 30, 2017, but was recorded in deposits in excess of withdrawals for agency accounts. Our opinion is not modified with respect to the matter.

Alanich CPAs + Advisors LLP

San Diego, California

September 14, 2018

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Statements of Financial Position
June 30, 2018 and 2017 (As Restated)

ASSETS	2018	2017 (As Restated)
Current Assets:		
Cash	\$ 1,368,942	\$ 1,883,972
Investments	141,444	227,892
Accounts receivable, net of allowance for doubtful accounts of \$8,581 (2018) and \$3,605 (2017)	29,687	46,373
Due from related parties	23,280	1,561
Prepaid expenses and other current assets	-	535
Total Current Assets	1,563,353	2,160,333
Property and Equipment, net of accumulated depreciation	57,744	76,722
Total Assets	\$ 1,621,097	\$ 2,237,055
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 53,724	\$ 38,471
Deferred revenue	43,092	76,998
Due to related parties	173,871	809,372
Total Current Liabilities	270,687	924,841
Net Assets - Unrestricted	1,350,410	1,312,214
Total Liabilities and Net Assets	\$ 1,621,097	\$ 2,237,055

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Statements of Activities
Years Ended June 30, 2018 and 2017 (As Restated)

	2018	2017 (As Restated)
Unrestricted Revenue and Support:		
Student fees	\$ 3,722,755	\$ 3,581,658
Miscellaneous	205,222	170,043
Interest	14,773	7,137
	<u>3,942,750</u>	<u>3,758,838</u>
Total Unrestricted Revenue and Support	3,942,750	3,758,838
Expenses:		
Program services	3,437,373	3,561,608
General and administrative	467,181	436,639
	<u>3,904,554</u>	<u>3,998,247</u>
Total Expenses	3,904,554	3,998,247
Change in Net Assets	38,196	(239,409)
Net Assets - Unrestricted, beginning (as originally stated)	1,312,214	1,362,941
Restatement (Note 7)	-	188,682
	<u>1,312,214</u>	<u>1,551,623</u>
Net Assets - Unrestricted, beginning (as restated)	1,312,214	1,551,623
Net Assets - Unrestricted, ending	<u>\$ 1,350,410</u>	<u>\$ 1,312,214</u>

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

Years Ended June 30, 2018 and 2017 (As Restated)

	2018	2017 (As Restated)
Cash Flows from Operating Activities:		
Change in net assets	\$ 38,196	\$ (239,409)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	25,686	25,714
Changes in operating assets and liabilities:		
Accounts receivable, net	16,686	10,792
Due from related parties	(21,719)	17,415
Prepaid expenses and other current assets	535	(470)
Accounts payable and accrued expenses	15,253	(20,273)
Deferred revenue	(33,906)	(26,056)
Due to related parties	(635,501)	627,281
Net Cash Provided (Used) by Operating Activities	(594,770)	394,994
Cash Flows from Investing Activities:		
Purchases of property and equipment	(6,708)	-
Purchases of investments	(14,773)	(7,137)
Proceeds from sale of investments	101,221	52,589
Net Cash Provided by Investing Activities	79,740	45,452
Net Increase (Decrease) in Cash	(515,030)	440,446
Cash, beginning	1,883,972	1,443,526
Cash, ending	\$ <u>1,368,942</u>	\$ <u>1,883,972</u>

See accompanying notes to financial statements.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2018 and 2017 (As Restated)

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, 2018 and 2017.

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 statements of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2018 and 2017 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, 2018 and 2017 (As Restated)

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

Accounts Receivable

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

Property and Equipment

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

Deferred Revenue

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

Student Fees

During the year ended June 30, 2017, the Organization converted from a quarterly-based academic year to a semester-based academic year. Each matriculated student of the University was required to pay \$188 per semester for student fees for the year ended June 30, 2018 and \$123 per quarter for the year ended June 30, 2017. These payments support the Organization's operations and are recognized as revenue ratably over the course of the term.

Advertising

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

Functional 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.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Notes to Financial Statements

Years Ended June 30, 2018 and 2017 (As Restated)

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

Fair Value Measurements, continued

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

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

The 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, 2018 and 2017, due to the relative short maturities of these instruments.

Subsequent Events

The Organization has evaluated subsequent events through September 14, 2018, 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, 2018, the Organization had approximately \$1,156,000 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 University. 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 \$141,444 and \$227,892 at June 30, 2018 and 2017, respectively. Investments held in the investment pool are reported as short-term investments included in current assets on the statements of financial position.

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

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Notes to Financial Statements
Years Ended June 30, 2018 and 2017 (As Restated)

Note 3 – Investments and Fair Value Measurement, continued

The following tables set forth by level, within the fair value hierarchy, the Organization's financial instruments at fair value:

	Financial Instruments at Fair Value as of June 30, 2018				
	Level 1	Level 2	Level 3	NAV	Total
Asset backed securities	\$ -	\$ 10,299	\$ -	\$ -	\$ 10,299
Certificates of deposit	-	7,112	-	-	7,112
Corporate bonds	-	40,263	-	-	40,263
Money market funds	-	-	-	344	344
Mortgage backed securities	-	9	-	-	9
Municipal bonds	-	1,824	-	-	1,824
Repurchase agreements	-	360	-	-	360
U.S. agency securities	-	41,571	-	-	41,571
U.S. treasury securities	-	35,163	-	-	35,163
Mutual Fund	-	4,499	-	-	4,499
	<u>\$ -</u>	<u>\$ 141,100</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 141,444</u>

	Financial Instruments at Fair Value as of June 30, 2017				
	Level 1	Level 2	Level 3	NAV	Total
Asset backed securities	\$ -	\$ 19,496	\$ -	\$ -	\$ 19,496
Certificates of deposit	-	9,667	-	-	9,667
Corporate bonds	-	62,821	-	-	62,821
Money market funds	-	-	-	979	979
Mortgage backed securities	-	23	-	-	23
Municipal bonds	-	1,033	-	-	1,033
Repurchase agreements	-	642	-	-	642
U.S. agency securities	-	82,275	-	-	82,275
U.S. treasury securities	-	50,956	-	-	50,956
	<u>\$ -</u>	<u>\$ 226,913</u>	<u>\$ -</u>	<u>\$ 979</u>	<u>\$ 227,892</u>

Note 4 – Property and Equipment

Property and equipment consist of the following:

	2018	2017
Equipment	\$ 64,514	\$ 57,806
Leasehold improvements	254,852	254,852
	<u>319,366</u>	<u>312,658</u>
Less accumulated depreciation	(261,622)	(235,936)
	<u>\$ 57,744</u>	<u>\$ 76,722</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Notes to Financial Statements**

Years Ended June 30, 2018 and 2017 (As Restated)

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, 2018 are due as follows:

Year Ending June 30,	
<u>2019</u>	\$ 28,255
Thereafter	<u>-</u>
	<u>\$ 28,255</u>

Rental expense relating to long term leases was \$27,230 and \$26,206 for the years ended June 30, 2018 and 2017, 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 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 also provides program services for student services for the Children's Center. The Organization pays the Sponsored Programs Administration for these services as provided by the student body.

Related party transactions as of and for the years ended June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Expenses:		
Program fees:		
University	\$ 3,023,391	\$ 3,132,439
Foundation	4,241	10,909
Sponsored Programs Administration	147,734	125,898
Student Union	<u>39,510</u>	<u>38,435</u>
	<u>\$ 3,214,876</u>	<u>\$ 3,307,681</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**Notes to Financial Statements**Years Ended June 30, 2018 and 2017 (As Restated)

Note 6 – Related Party Transactions, continued

	<u>2018</u>	<u>2017</u>
Due from:		
University	\$ 7,887	\$ 15
Foundation	1,674	1,546
Sponsored Programs Administration	6,278	-
Student Union	<u>7,441</u>	<u>-</u>
	<u>\$ 23,280</u>	<u>\$ 1,561</u>
Due to:		
University	\$ 171,910	\$ 752,799
Foundation	1,350	675
Sponsored Programs Administration	<u>611</u>	<u>55,898</u>
	<u>\$ 173,871</u>	<u>\$ 809,372</u>

Note 7 – Restatement

The Organization administers the activity of student clubs and organizations. Previously, the Organization recorded this activity as a "deposits in excess of withdrawals for agency accounts," and did not record revenues or expenses. The Organization has determined that it is acting as a fiscal sponsor to the clubs and organizations and therefore should record the related revenues and expenses. A prior period adjustment has been recorded to remove the June 30, 2016, deposits in excess of withdrawals for agency accounts from \$188,682 to \$0 and to increase unrestricted net assets from \$1,362,941 to \$1,551,623.

SUPPLEMENTAL INFORMATION

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Schedule of Expenses by Natural Classification
Year Ended June 30, 2018

	Program Services	General and Administrative	Total
Scholarships	\$ 2,265,763	\$ 44,250	\$ 2,310,013
Supplies	549,135	115,924	665,059
Travel	413,524	33,474	446,998
Salaries	57,763	113,238	171,001
Benefits	37,461	65,533	102,994
Services from other agencies	22,118	28,400	50,518
Rent	13,672	27,230	40,902
Conference and meetings	16,532	23,054	39,586
Depreciation	17,531	8,155	25,686
Repairs and maintenance	13,893	399	14,292
Professional fees	10,468	1,532	12,000
Printing and publications	7,681	2,699	10,380
Insurance	7,558	320	7,878
Expendable equipment	3,262	387	3,649
Telephone	396	1,367	1,763
Dues and subscriptions	-	1,219	1,219
Advertising	616	-	616
	<u>616</u>	<u>-</u>	<u>616</u>
Total Expenses	\$ <u>3,437,373</u>	\$ <u>467,181</u>	\$ <u>3,904,554</u>

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Schedule of Expenses by Natural Classification
Year Ended June 30, 2017, As Restated

	Program Services	General and Administrative	Total
Scholarships	\$ 2,012,659	\$ 36,701	\$ 2,049,360
Supplies	534,521	115,626	650,147
Travel	524,234	24,109	548,343
Salaries	63,788	105,383	169,171
Recruitment	157,000	2,042	159,042
Services from other agencies	121,200	27,900	149,100
Benefits	35,468	62,457	97,925
Conference and meetings	28,009	18,349	46,358
Rent	14,475	27,321	41,796
Printing and publications	27,640	2,014	29,654
Depreciation	17,455	8,259	25,714
Professional fees	10,008	1,492	11,500
Insurance	7,590	596	8,186
Expendable equipment	6,481	-	6,481
Telephone	411	2,035	2,446
Dues and subscriptions	385	1,269	1,654
Advertising	-	710	710
Repairs and maintenance	284	376	660
Total Expenses	\$ 3,561,608	\$ 436,639	\$ 3,998,247

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Schedule of Activities by Fund
Year Ended June 30, 2018

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Unrestricted Revenue and Support:								
Student fees	\$ 453,570	\$ 432,115	\$ 144,020	\$ 2,506,932	\$ 109,226	\$ 76,892	\$ -	\$ 3,722,755
Miscellaneous	2,304	-	-	-	-	8,000	194,918	205,222
Interest	1,800	1,715	572	9,948	433	305	-	14,773
Total Unrestricted Revenue and Support	457,674	433,830	144,592	2,516,880	109,659	85,197	194,918	3,942,750
Expenses:								
Program services	-	428,719	149,219	2,426,270	114,500	109,456	209,209	3,437,373
General and administrative	467,181	-	-	-	-	-	-	467,181
Total Expenses	467,181	428,719	149,219	2,426,270	114,500	109,456	209,209	3,904,554
Change in net assets	(9,507)	5,111	(4,627)	90,610	(4,841)	(24,259)	(14,291)	38,196
Net Assets - Unrestricted, beginning	767,989	12,277	3,030	131,242	144,646	72,248	180,782	1,312,214
Net Assets - Unrestricted, ending	<u>\$ 758,482</u>	<u>\$ 17,388</u>	<u>\$ (1,597)</u>	<u>\$ 221,852</u>	<u>\$ 139,805</u>	<u>\$ 47,989</u>	<u>\$ 166,491</u>	<u>\$ 1,350,410</u>

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.
Schedule of Activities by Fund
Year Ended June 30, 2017, As Restated

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Unrestricted Revenue and Support:								
Student fees	\$ 486,931	\$ 415,488	\$ 132,795	\$ 2,362,775	\$ 108,486	\$ 75,183	\$ -	\$ 3,581,658
Miscellaneous	2,167	-	-	70	-	8,000	159,806	170,043
Interest	969	828	265	4,709	216	150	-	7,137
Total Unrestricted Revenue and Support	490,067	416,316	133,060	2,367,554	108,702	83,333	159,806	3,758,838
Expenses:								
Program services	-	413,939	133,528	2,601,548	135,534	109,353	167,706	3,561,608
General and administrative	436,639	-	-	-	-	-	-	436,639
Total Expenses	436,639	413,939	133,528	2,601,548	135,534	109,353	167,706	3,998,247
Change in net assets	53,428	2,377	(468)	(233,994)	(26,832)	(26,020)	(7,900)	(239,409)
Net Assets - Unrestricted, beginning (as originally stated)	714,561	9,900	3,498	365,236	171,478	98,268	-	1,362,941
Restatement, Note 7	-	-	-	-	-	-	188,682	188,682
Net Assets - Unrestricted, beginning (as restated)	714,561	9,900	3,498	365,236	171,478	98,268	188,682	1,551,623
Net Assets - Unrestricted, ending	\$ 767,989	\$ 12,277	\$ 3,030	\$ 131,242	\$ 144,646	\$ 72,248	\$ 180,782	\$ 1,312,214

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Schedule of Net Position

Year Ended June 30, 2018

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,368,942
Short-term investments	141,444
Accounts receivable, net	52,967
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	<u>1,563,353</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Capital lease receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	57,744
Other assets	—
Total noncurrent assets	<u>57,744</u>
Total assets	<u>1,621,097</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	197,546
Accrued salaries and benefits	—
Accrued compensated absences, current portion	12,706
Unearned revenues	43,092
Capital lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	17,343
Total current liabilities	<u>270,687</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>—</u>
Total liabilities	<u>270,687</u>
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	57,744
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	1,292,666
Total net position	<u>\$ 1,350,410</u>

See independent auditors' report.

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

Year Ended June 30, 2018

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	3,722,755
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		205,222
Total operating revenues		<u>3,927,977</u>
Expenses:		
Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		1,568,855
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		2,310,013
Auxiliary enterprise expenses		—
Depreciation and amortization		25,686
Total operating expenses		<u>3,904,554</u>
Operating income (loss)		<u>23,423</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		14,773
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses) - excl. interagency transfers		—
Other nonoperating revenues (expenses) - interagency transfers		—
Net nonoperating revenues (expenses)		<u>14,773</u>
Income (loss) before other revenues (expenses)		<u>38,196</u>
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		38,196
Net position:		
Net position at beginning of year, as previously reported		1,131,432
Restatements		180,782
Net position at beginning of year, as restated		<u>1,312,214</u>
Net position at end of year	\$	<u><u>1,350,410</u></u>

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

2.3 Restricted current investments at June 30, 2018 related to:	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2018	\$ —

2.4 Restricted noncurrent investments at June 30, 2018 related to:	Amount
Endowment investment	\$ —
Scholarships	—
Inflation reserves	—
University projects	—
Add description	—
Total restricted noncurrent investments at June 30, 2018	\$ —

2.5 Fair value hierarchy in investments at June 30, 2018:

	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	40,263	—	40,263	—	—
Certificates of deposit	7,112	—	7,112	—	—
Mutual funds	4,499	—	4,499	—	—
Money Market funds	344	—	—	—	344
Repurchase agreements	360	—	360	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	10,299	—	10,299	—	—
Mortgage backed securities	9	—	9	—	—
Municipal bonds	1,824	—	1,824	—	—
U.S. agency securities	41,571	—	41,571	—	—
U.S. treasury securities	35,163	—	35,163	—	—
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	—	—	—	—	—
Total investments	141,444	—	141,100	—	344

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable 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	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	—	—	—	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	254,852	—	—	254,852	—	—	—	254,852
Personal property:								
Equipment	57,806	—	—	57,806	6,708	—	—	64,514
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	312,658	—	—	312,658	6,708	—	—	319,366
Total capital assets	312,658	—	—	312,658	6,708	—	—	319,366
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(181,247)	—	—	(181,247)	(23,427)	—	—	(204,674)
Personal property:								
Equipment	(54,689)	—	—	(54,689)	(2,259)	—	—	(56,948)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(235,936)	—	—	(235,936)	(25,686)	—	—	(261,622)
Total capital assets, net	\$ 76,722	—	—	76,722	(18,978)	—	—	57,744

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2018:

Depreciation and amortization expense related to capital assets	\$ 25,686
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 25,686

4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
Accrued compensated absences	\$ 7,407	—	—	7,407	7,064	(1,765)	12,706	12,706	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capital lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capital 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	\$ 7,407	—	—	7,407	7,064	(1,765)	12,706	12,706	—

5 Future minimum lease payments - Capital lease obligations:

	Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capital lease obligations									—
Less: current portion									—
Capital lease obligation, net of current portion									\$ —

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

6 Long-term debt obligations 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:									
2019	\$ —	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

7 Calculation of net position

7.1 Calculation of net position - Net investment in capital assets

Capital assets, net of accumulated depreciation	\$	57,744
Capital lease obligations, current portion		—
Capital 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 (enter as positive number)		—
Other adjustments: (please list)		
Add description		—
Net position - Net investment in capital assets	\$	57,744

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)		
Restricted expendable endowments		—
Add description		—
Net position - Restricted for nonexpendable - endowments	\$	—

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

8 Transactions with related entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 269,086
Payments to University for other than salaries of University personnel	2,754,305
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)	(171,910)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University (enter as positive number)	7,887
Other amounts receivable from University	—

9 Other postemployment benefits (OPEB) liability

Intentionally left blank - not required/applicable eff FY17/18

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	<u>—</u>

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

	<u>Net Position</u>	<u>Amount</u>
	<u>Class</u>	<u>Dr. (Cr.)</u>
Net position as of June 30, 2017, as previously reported	\$	1,131,432
Prior period adjustments:		
1 To recognize student club revenues and expenses (Note 7)		180,782
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, 2017, as restated	\$	<u>1,312,214</u>

See independent auditors' report.

ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.

Other Information

June 30, 2018

(for inclusion in the California State University)

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: <u>Unrestricted</u>		
1 To recognize student club revenues and expenses (Note 7)		
Deposits in excess of withdrawals for agency accounts.	\$ 180,782	
Net Assets - Unrestricted		180,782
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)	—	—

12 Natural Classifications of Operating Expenses

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	—	—	—	—	—	—
Research	—	—	—	—	—	—
Public service	—	—	—	—	—	—
Academic support	—	—	—	—	—	—
Student services	171,001	102,994	2,310,013	1,294,860	—	3,878,868
Institutional support	—	—	—	—	—	—
Operation and maintenance of plant	—	—	—	—	—	—
Student grants and scholarships	—	—	—	—	—	—
Auxiliary enterprise expenses	—	—	—	—	—	—
Depreciation and amortization	—	—	—	—	25,686	25,686
Total	171,001	102,994	2,310,013	1,294,860	25,686	3,904,554

See independent auditors' report.