

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

Table of Contents

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements:	
Statements of Net Position	9
Statements of Revenues, Expenses, and Changes in Net Position	10
Statements of Cash Flows	11
Notes to Financial Statements	12
Supplemental Information:	
Schedules of Expenses by Natural Classification	17
Supplemental Information for Inclusion in the California State University:	
Schedule of Net Position	19
Schedule of Revenues, Expenses, and Changes in Net Position	22
Other Information	24
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 <i>Government Auditing Standards</i>	29

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

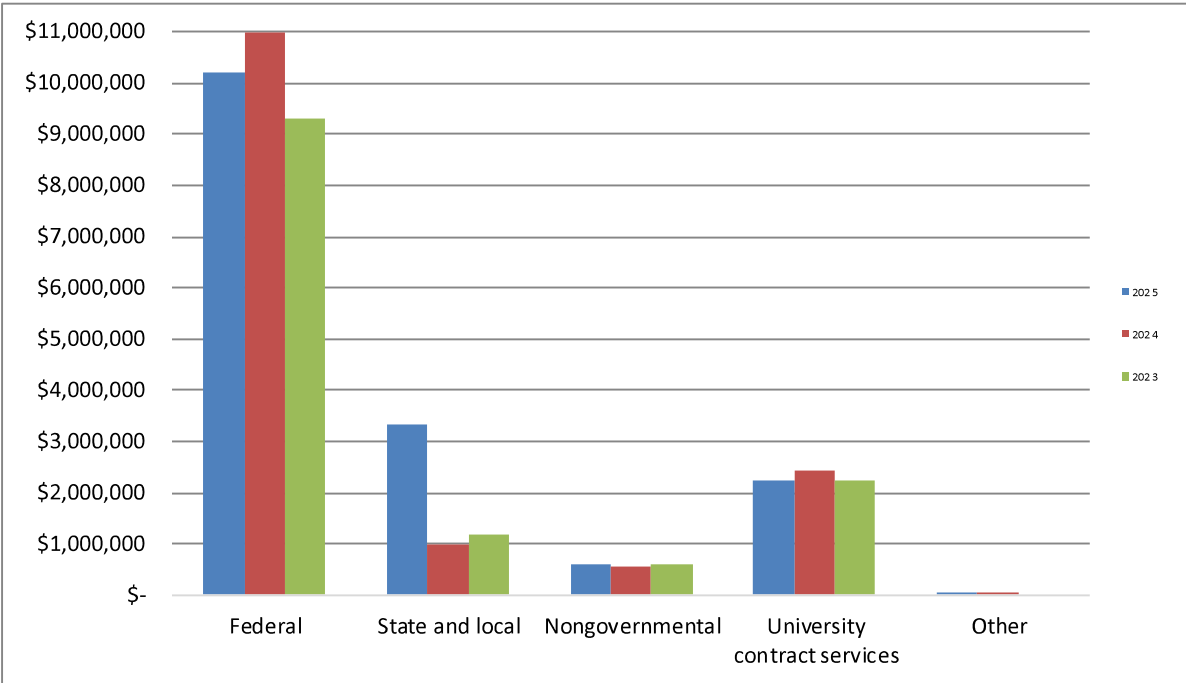
While the statements of net position show the change in financial position of the Organization, the statements of revenues, expenses, and changes in net position provide answers to the nature and sources of these changes.

**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><u>13,605</u></u>	\$ <u><u>109,052</u></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><u>6,105,520</u></u>	\$ <u><u>5,986,217</u></u>
Due from:		
University	\$ 2,140	\$ 13,336
Foundation	<u>-</u>	<u>350</u>
	\$ <u><u>2,140</u></u>	\$ <u><u>13,686</u></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><u>976,684</u></u>	\$ <u><u>1,208,409</u></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</u> <u>June 30, 2024</u>	<u>Net</u> <u>Additions</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Current</u> <u>Portion</u>
Compensated absences	\$ <u><u>84,214</u></u>	\$ <u><u>5,362</u></u>	\$ <u><u>89,576</u></u>	\$ <u><u>89,576</u></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:	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									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						\$ 89,576	\$ 89,576	\$ -

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