

California State University, Bakersfield Student Union

Financial Statements and Supplemental Information
Years Ended June 30, 2019 and 2018



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Financial Statements with Supplemental Information

Years Ended June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University, Bakersfield Student Union

We have audited the accompanying financial statements of California State University, Bakersfield Student Union (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, 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 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 California State University, Bakersfield Student Union as of June 30, 2019 and 2018, 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

Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, California State University, Bakersfield Student Union adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

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, which is the responsibility of management, included on pages 14-24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That 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, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Aldrich CPAs + Advisors LLP

San Diego, California
September 13, 2019

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Statements of Financial Position**

June 30, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash	\$ 1,669,523	\$ 2,486,378
Accounts receivable, net of allowance for doubtful accounts of \$164 (2019) and \$1,605 (2018)	106,828	59,289
Due from related parties	<u>43,421</u>	<u>20,219</u>
Total Current Assets	1,819,772	2,565,886
Property and Equipment, net of accumulated depreciation	<u>1,533,942</u>	<u>823,580</u>
Total Assets	<u>\$ 3,353,714</u>	<u>\$ 3,389,466</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 247,826	\$ 185,019
Due to related parties	<u>242,226</u>	<u>408,425</u>
Total Current Liabilities	490,052	593,444
Net Assets - Without Donor Restrictions	<u>2,863,662</u>	<u>2,796,022</u>
Total Liabilities and Net Assets	<u>\$ 3,353,714</u>	<u>\$ 3,389,466</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Statements of Activities**

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and Support Without Donor Restrictions:		
Student fees	\$ 2,789,334	\$ 3,214,541
In-kind contribution	1,395,270	1,395,270
Facility rental	269,328	199,341
Other	141,618	273,389
Membership fees	71,280	67,972
Contracted space rentals	-	27,230
	<u>4,666,830</u>	<u>5,177,743</u>
Total Revenue and Support Without Donor Restrictions	4,666,830	5,177,743
Expenses:		
Program services:		
Student Union	855,780	754,762
Student Recreation Center	3,076,381	3,016,122
General and administrative	667,029	695,954
	<u>4,599,190</u>	<u>4,466,838</u>
Total Expenses	4,599,190	4,466,838
Change in Net Assets	67,640	710,905
Net Assets - Without Donor Restrictions, beginning	<u>2,796,022</u>	<u>2,085,117</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 2,863,662</u>	<u>\$ 2,796,022</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services				Total
	Student Union	Student Recreation Center	Program Services Total	General and Administrative	
Occupancy	\$ 333,244	\$ 1,364,827	\$ 1,698,071	\$ 46,608	\$ 1,744,679
Salaries and wages	328,199	1,030,885	1,359,084	262,784	1,621,868
Employee benefits	110,528	153,223	263,751	153,687	417,438
Supplies	70,263	222,959	293,222	32,337	325,559
Depreciation	-	195,355	195,355	15,867	211,222
Miscellaneous	-	-	-	64,755	64,755
Minor equipment	670	36,830	37,500	-	37,500
Insurance	-	-	-	37,054	37,054
Travel	5,999	18,076	24,075	11,699	35,774
Information technology	1,751	30,720	32,471	1,088	33,559
Accounting	-	-	-	31,700	31,700
Advertising and promotion	1,200	12,978	14,178	-	14,178
Conference, conventions, and meetings	-	5,273	5,273	4,007	9,280
Dues and subscriptions	1,613	1,743	3,356	5,443	8,799
Office expense	2,313	3,512	5,825	-	5,825
Total expenses	\$ 855,780	\$ 3,076,381	\$ 3,932,161	\$ 667,029	\$ 4,599,190

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Statement of Functional Expenses

Year Ended June 30, 2018

	Program Services				Total
	Student Union	Student Recreation Center	Program Services Total	General and Administrative	
Occupancy	\$ 310,637	\$ 1,416,406	\$ 1,727,043	\$ 49,910	\$ 1,776,953
Salaries and wages	258,616	1,020,648	1,279,264	231,385	1,510,649
Employee benefits	106,865	136,017	242,882	142,793	385,675
Supplies	63,399	171,257	234,656	39,779	274,435
Depreciation	-	148,191	148,191	21,421	169,612
Insurance	-	-	-	134,999	134,999
Information technology	2,934	41,208	44,142	1,172	45,314
Travel	6,009	18,571	24,580	14,719	39,299
Minor equipment	737	31,955	32,692	-	32,692
Miscellaneous	-	-	-	28,500	28,500
Accounting	-	-	-	21,247	21,247
Advertising and promotion	534	15,828	16,362	-	16,362
Conference, conventions, and meetings	-	7,996	7,996	4,704	12,700
Dues and subscriptions	950	4,489	5,439	5,325	10,764
Office expense	4,081	3,556	7,637	-	7,637
Total expenses	\$ 754,762	\$ 3,016,122	\$ 3,770,884	\$ 695,954	\$ 4,466,838

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Statements of Cash Flows**

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 67,640	\$ 710,905
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	211,222	169,612
Changes in operating assets and liabilities:		
Accounts receivable, net	(47,539)	(26,970)
Due from related parties	(23,202)	72,729
Accounts payable and accrued expenses	62,807	114,795
Due to related parties	(166,199)	259,629
	<u>104,729</u>	<u>1,300,700</u>
Net Cash Provided by Operating Activities		
	104,729	1,300,700
Cash Flows Used by Investing Activities:		
Purchases of property and equipment	(921,584)	(57,486)
	<u>(921,584)</u>	<u>(57,486)</u>
Net Increase (Decrease) in Cash	(816,855)	1,243,214
Cash, beginning	<u>2,486,378</u>	<u>1,243,164</u>
Cash, ending	<u>\$ 1,669,523</u>	<u>\$ 2,486,378</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield Student Union (Organization) was incorporated in the State of California on March 9, 1994, and opened its facility in May 1994. In May 2009, the Organization opened its Student Recreation Center. The Organization was formed and operates as a non-profit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University). The Organization operates a student union facility to enhance the quality of the student experience through the development of and exposure to, campus programs, activities, and organizations in a student-centered environment. The Organization also operates a student recreation center to allow students to achieve physical and mental well-being through a variety of programs and services. The Organization's primary source of revenue is student fees that have been remitted to CSU Bakersfield.

New Accounting Pronouncement

During the year ended June 30, 2019, the Organization adopted ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions until the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets with donor restrictions, liquidity, and expenses by both their natural and functional classification.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding their financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2019 and 2018.

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, 2019 and 2018 and therefore no amounts have been accrued.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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.

Student Fees

Each matriculated student of the University was required to pay \$301 and \$234 per semester for student fees for the years ended June 30, 2019 and 2018, respectively. 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 Expense Allocations

The Organization's accounting system is established to record expenses by fund, department and natural expense. Expense function is determined by fund alone or a combination of fund and department. There are two funds in the Organization. Both funds have expenses that are programmatic and general and administrative in nature and certain costs initially captured within the funds, such as director and support staff salaries and benefits, audit costs, general insurance and bank fees, are presented as general and administrative instead of program costs.

Future Accounting Standards

The Financial Accounting Standards Board (FASB) has issued three substantial ASUs which will become effective in future years.

The amendments in ASU 2014-09 *Revenue from Contracts with Customers* and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The Organization is in the process of assessing how this new ASU and subsequent updates will affect the Organization's reporting of revenues. This assessment includes determining the effect of the new standard on the Organization's financial statements, accounting systems, business processes, and internal controls. Based on its assessment to date, the Organization does not currently expect adoption to have a material effect on its revenue. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, ASU 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* was issued to provide guidance on the accounting and reporting of grants and contributions. This guidance will assist nonprofit organizations in evaluating if a transaction is an exchange transaction or a contribution. Clarification was also added to determine if a contribution is conditional or unconditional and how each of these should be recorded. This update is effective for transactions in which the entity serves as the resource recipient for fiscal years beginning after December 15, 2018. The Organization is evaluating the effect that the provisions of ASU 2018-08 will have on its financial statements and related disclosures.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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

Future Accounting Standards, continued

In February 2016, the FASB issued ASU No. 2016-02 *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments (“lease liability”) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. On July 17, 2019, the FASB voted to propose delaying the effective date by one year. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

The Organization has evaluated subsequent events through September 13, 2019, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability

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

	<u>2019</u>	<u>2018</u>
Cash	\$ 1,669,523	\$ 2,486,378
Accounts receivable, net	106,828	59,289
Due from related parties	<u>43,421</u>	<u>20,219</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,819,772</u>	\$ <u>2,565,886</u>

The Organization is substantially supported by student fees collected by the University and are subsequently transferred to the Organization. These fees carry no donor restrictions, and therefore, all financial assets are available for general expenditure within one year. Fees collected by the University that have not been transferred to the Organization by year end are designated for non-operational purposes including, but not limited to, debt service, capital improvements, facilities expansion and new construction. These remainder funds are invested in the campus SWIFT short-term investment account. The Organization has no other liquid assets available from which to draw.

Note 3 – Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. As of June 30, 2019, the Organization had approximately \$1,419,379 that was exposed to uninsured deposit risk. The Organization manages this risk by using high-quality financial institutions.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 4 – Property and Equipment

Property and equipment consist of the following:

	2019	2018
Leasehold improvements	\$ 1,010,825	\$ 1,010,825
Equipment	1,667,662	729,698
Construction in progress	-	16,380
	<u>2,678,487</u>	<u>1,756,903</u>
Less accumulated depreciation	(1,144,545)	(933,323)
	<u>\$ 1,533,942</u>	<u>\$ 823,580</u>

Note 5 – Student Union Fees

In November 1992, CSU Bakersfield issued bonds to finance the construction, repair and maintenance of the Student Union building. As specified in the bond resolution, the bonds are secured by the future revenue streams generated by the Student Union, therefore student fees are remitted to service the bonds. Section 5.02(d) of the Bond Resolution provides authorization for surplus fees (as defined) to be remitted to the Student Union for purpose of operating the Student Union. In accordance with the Bond Resolution, the Student Union received student fees in the amounts of \$2,789,334 and \$3,214,541 for the years ending June 30, 2019 and 2018, respectively.

Note 6 – Operating Leases

The Organization leases office spaces to various organizations under non-cancelable agreements expiring at various dates through June 2024. Those leases require monthly payments ranging from \$2,355 to \$2,647. The Organization also leases office spaces to various organizations on a year-to-year basis.

Minimum future lease payments to be received as of June 30, 2019 are due as follows:

Year Ending June 30,	
2020	\$ 42,093
2021	29,134
2022	30,012
2023	30,890
2024	31,769
Thereafter	<u>-</u>
	<u>\$ 163,898</u>

Note 7 – Commitments/In-Kind Contributions

The Organization leases the campus union facility and the recreation center facility under a non-cancelable operating agreement and lease from the Trustees of the California State University. The lease expired on June 30, 2019. The Organization and the University are currently in the process of renegotiating this lease. In exchange for managing and operating the campus union and recreation center facilities, the Organization pays no rent. The estimated fair market value of this rent is \$1,395,270 for the years ended June 30, 2019 and 2018 and has been recognized as an in-kind contribution and an operating expense in the statements of activities.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 7 – Commitments/In-Kind Contributions, continued

In addition, the Organization has entered into various agreements for the maintenance of facilities and equipment under non-cancelable agreements expiring at various dates through May 2021, including one with the University.

Minimum future payments as of June 30, 2019 are due as follows:

Year Ending June 30,		
<u>2020</u>	\$	48,750
2021		8,208
Thereafter		<u>-</u>
	\$	<u>56,958</u>

Total rental expense was \$1,519,286 and \$1,481,458 for the years ended June 30, 2019 and 2018, respectively.

Note 8 – Related Party Transactions

The Organization's salaries are paid by the University and billed to the Organization. Accounting and other services are provided to the Organization by the University. The Organization has non-cancelable agreements with the University for the University to provide custodial services to the Organization for \$17,125 per month and landscape maintenance services for \$13,200 annually which expired June 30, 2019. The Organization and the University are currently in the process of renegotiating these contracts.

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 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.

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.

Associated Students, California State University, Bakersfield, Inc. (Associated Students) functions to benefit the student body of the University by operating various campus programs. The Organization pays the Associated Students for these services as provided by the student body.

Associated Students and the University lease office space from the Organization (See Note 6).

Transactions as of and for the years ended June 30, 2019 and 2018 with related parties are reflected in the accompanying financial statements.

	<u>2019</u>	<u>2018</u>
Revenue:		
Cost Recoveries:		
University	\$ 2,796,866	\$ 3,256,449
Sponsored Programs Administration	1,750	1,260
Foundation	32,191	715
Associated Students	<u>447</u>	<u>28,214</u>
Total Cost Recoveries	\$ <u>2,831,254</u>	\$ <u>3,286,638</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Notes to Financial Statements**

Years Ended June 30, 2019 and 2018

Note 8 – Related Party Transactions, continued

	<u>2019</u>	<u>2018</u>
Revenue:		
Facility Rental:		
University	\$ 88,699	\$ 75,333
Sponsored Programs Administration	19,726	8,788
Foundation	41,480	6,104
Associated Students	13,742	11,296
	<u>163,647</u>	<u>101,521</u>
Total Facility Rental	<u>\$ 2,994,901</u>	<u>\$ 3,388,159</u>
Expense:		
Services from other agencies:		
University	\$ 2,495,300	\$ 2,250,262
Sponsored Programs Administration	35,000	-
Foundation	5,506	16,060
Associated Students	14,642	15,146
	<u>\$ 2,550,448</u>	<u>\$ 2,281,468</u>
Due from related parties:		
University	\$ 10,615	\$ 18,505
Sponsored Programs Administration	-	45
Foundation	31,670	1,669
Associated Students	1,136	-
	<u>\$ 43,421</u>	<u>\$ 20,219</u>
Due to related parties:		
University	\$ 206,902	\$ 392,352
Sponsored Programs Administration	35,000	-
Foundation	324	8,632
Associated Students	-	7,441
	<u>\$ 242,226</u>	<u>\$ 408,425</u>

Note 9 – Subsequent Event – Transfer of Children’s Center

In fiscal year 2019, the Board of Directors of the Organization and Sponsored Programs Administration approved the transfer of the California State University, Bakersfield Auxiliary for Sponsored Programs Children’s Center contracts for both preschool and childcare and development to the Organization. The transfer was approved by the California Department of Education in fiscal year 2020 with an effective date of July 1, 2019.

Note 10 – Reclassifications

Certain items in the 2018 financial statements have been reclassified to conform to current year classifications, specifically the natural and functional classifications in the statement of functional expenses and schedule of activities by fund and the presentation of accounts receivable in the statements of financial position and cash flows. Such reclassifications had no effect on previously reported changes in net assets.

SUPPLEMENTAL INFORMATION

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Schedule of Activities by Fund**

Year Ended June 30, 2019

	Student Union	Student Recreation Center	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue and Support Without Donor Restrictions:			
Student fees	\$ 933,520	\$ 1,855,814	\$ 2,789,334
In-kind contribution	268,320	1,126,950	1,395,270
Facility rental	156,708	112,620	269,328
Other	43,028	98,590	141,618
Membership fees	-	71,280	71,280
	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Other Support Without Donor Restrictions	1,401,576	3,265,254	4,666,830
Expenses:			
Program services	855,780	3,076,381	3,932,161
General and administrative	354,037	312,992	667,029
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	1,209,817	3,389,373	4,599,190
Change in Net Assets	191,759	(124,119)	67,640
Net Assets - Without Donor Restrictions, beginning	892,018	1,904,004	2,796,022
	<u> </u>	<u> </u>	<u> </u>
Net Assets - Without Donor Restrictions, ending	\$ 1,083,777	\$ 1,779,885	\$ 2,863,662
	<u> </u>	<u> </u>	<u> </u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION**Schedule of Activities by Fund**

Year Ended June 30, 2018

	Student Union	Student Recreation Center	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue and Support Without Donor Restrictions:			
Student fees	\$ 829,398	\$ 2,385,143	\$ 3,214,541
In-kind contribution	268,320	1,126,950	1,395,270
Other	29,665	243,724	273,389
Facility rental	108,529	90,812	199,341
Membership fees	-	67,972	67,972
Contracted space rentals	27,230	-	27,230
	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Other Support Without Donor Restrictions	1,263,142	3,914,601	5,177,743
Expenses:			
Program services	754,762	3,016,122	3,770,884
General and administrative	349,358	346,596	695,954
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	1,104,120	3,362,718	4,466,838
Change in Net Assets	159,022	551,883	710,905
Net Assets - Without Donor Restrictions, beginning	732,996	1,352,121	2,085,117
	<u> </u>	<u> </u>	<u> </u>
Net Assets - Without Donor Restrictions, ending	\$ 892,018	\$ 1,904,004	\$ 2,796,022
	<u> </u>	<u> </u>	<u> </u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Schedule of Student Union Revenue Bonds, Series A

Year Ended June 30, 2019

(Unaudited)

The Systemwide Revenue Bond (SRB) program was approved by the California State University Trustees in fiscal year 2003. This program provides funding for various construction projects, including student residence and dining hall facilities, continuing education buildings, student unions, parking facilities, health facilities, and auxiliary organization facilities for designated campuses with the System as specified by the individual bond documents. It is designed to provide lower cost debt and greater flexibility to finance revenue bond projects of the System. Rather than relying on specific pledged revenues to support specific debt obligations, this program pools several sources of revenue as the pledge for the revenue producing projects.

The University participates in the SRB program and its allocated share of outstanding SRB debt as of June 30, 2019 is \$14,170,450 which has been used to finance the Student Union and Student Recreation Center. These assets are reported and depreciated on the University's financial statements.

SRB debt obligations of the University as of June 30, 2019 consist of the following:

Description	Interest Rate	Fiscal Year Maturity Date	Original Issue Amount	Amount Outstanding at June 30, 2019
Systemwide revenue bonds:				
Series 2012A (Student Union)	4.00-5.00%	2023	\$ 895,000	\$ 400,000
Series 2016A (Student Union)	2.00-5.00%	2039	17,040,000	16,545,000
Total				16,945,000
Unamortized bond discount				(2,774,550)
Total SRB debt obligations				\$ 14,170,450

SRB debt principal obligations and related interest mature in the following fiscal years:

Year ending June 30:	Principal	Interest	Total
2020	\$ 590,000	\$ 784,325	\$ 1,374,325
2021	620,000	755,025	1,375,025
2022	655,000	724,150	1,379,150
2023	685,000	691,175	1,376,175
2024	605,000	658,925	1,263,925
2025-2029	3,540,000	2,793,750	6,333,750
2030-2034	4,540,000	1,789,250	6,329,250
2035-2039	5,710,000	618,700	6,328,700
Total	\$ 16,945,000	\$ 8,815,300	\$ 25,760,300

The original capitalized cost of buildings, improvements, and equipment at completion of construction was recorded by the California State University. These assets are leased to the Organization. The lease, which expired on June 30, 2019, provides no annual rental fee. The Organization and the University are currently in the process of renegotiating this lease.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Schedule of Net Position

June 30, 2019

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,669,523
Short-term investments	—
Accounts receivable, net	150,249
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	—
Total current assets	<u>1,819,772</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	1,533,942
Other assets	—
Total noncurrent assets	<u>1,533,942</u>
Total assets	<u>3,353,714</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	169,274
Accrued salaries and benefits	—
Accrued compensated absences, current portion	78,552
Unearned revenues	—
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	242,226
Total current liabilities	<u>490,052</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>490,052</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	1,533,942
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	1,329,720
Total net position	<u>\$ 2,863,662</u>

See independent auditors' report.

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

Year Ended June 30, 2019

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	2,789,334
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		482,226
Scholarship allowances (enter as negative)		—
Other operating revenues		1,395,270
Total operating revenues		<u>4,666,830</u>
Expenses:		
Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		4,387,968
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		—
Auxiliary enterprise expenses		—
Depreciation and amortization		211,222
Total operating expenses		<u>4,599,190</u>
Operating income (loss)		<u>67,640</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		—
Endowment income (loss), net		—
Interest expense		—
Other nonoperating revenues (expenses) - excl. interagency transfers		—
Other nonoperating revenues (expenses) - interagency transfers		—
Net nonoperating revenues (expenses)		<u>—</u>
Income (loss) before other revenues (expenses)		67,640
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		67,640
Net position:		
Net position at beginning of year, as previously reported		2,796,022
Restatements		—
Net position at beginning of year, as restated		<u>2,796,022</u>
Net position at end of year	\$	<u>2,863,662</u>

See independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Other Information

June 30, 2019

(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Noncurrent restricted cash and cash equivalents	<u>-</u>
Current cash and cash equivalents	<u>1,669,523</u>
Total	<u><u>\$ 1,669,523</u></u>

2.1 Composition of investments:

	Current	Noncurrent	Total
Money market funds	-	-	-
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
Mutual funds	-	-	-
Exchange traded funds	-	-	-
Equity securities	-	-	-
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)	-	-	-
Other investments	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Total investments	<u>-</u>	<u>-</u>	<u>-</u>
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Other Information

June 30, 2019

(for inclusion in the California State University)

2.2 Fair value hierarchy in investments:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
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)	-	-	-	-	-
Other investments	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Total investments	-	-	-	-	-

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements (e.g CSU Consolidated SWIFT Inv pool):	-	- \$	-

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Other Information

June 30, 2019

(for inclusion in the California State University)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 211,222
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 211,222

4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments/Reclass ifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	Current Portion	Noncurrent Portion
1. Accrued compensated absences	68,288	-	68,288	48,446	(38,182)	78,552	78,552	-
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations	-	-	-	-	-	-	-	-
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 Others:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 68,288	-	68,288	48,446	(38,182)	78,552	78,552	-

5 Capital lease obligations schedule:

Year ending June 30:	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
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
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 obligations, net of current portion									\$ -

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD STUDENT UNION

Other Information

June 30, 2019

(for inclusion in the California State University)

6 Long-term debt obligations schedule:

	Auxiliary revenue bonds (non-SRB related)			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:									
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
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 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	1,816,898
Payments to University for other than salaries of University personnel	678,402
Payments received from University for services, space, and programs	2,885,565
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)	(206,902)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	10,615
Other amounts receivable from University (enter as positive number)	-

8 Restatements/Prior period adjustments:

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

Transaction #	Enter transaction description	Debit/(Credit)
Transaction #1	Enter transaction description	-
		-
		-
		-
Transaction #2	Enter transaction description	-
		-
		-
		-

