

# Associated Students, California State University, Bakersfield, Inc.

Financial Statements and Supplemental Information

Years Ended June 30, 2023 and 2022



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

## Financial Statements and Supplemental Information

Years Ended June 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Audit Committee  
Associated Students, California State University, Bakersfield, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Associated Students, California State University, Bakersfield, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Associated Students, California State University, Bakersfield, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Students, California State University, Bakersfield, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

### ***Auditor's Responsibilities for the Audit of the Financial Statements, continued***

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Students, California State University, Bakersfield, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 14-24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, on our consideration of Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 15, 2023

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

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 3,244,625	\$ 3,642,541
Accounts receivable	-	1,439
Due from related parties	164,744	13,824
Prepaid expenses	<u>-</u>	<u>708</u>
Total Current Assets	3,409,369	3,658,512
Property and Equipment, net of accumulated depreciation	<u>-</u>	<u>839</u>
Total Assets	<u>\$ 3,409,369</u>	<u>\$ 3,659,351</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 43,411	\$ 70,031
Due to related parties	<u>50,949</u>	<u>220,540</u>
Total Current Liabilities	94,360	290,571
Net Assets - Without Donor Restrictions	<u>3,315,009</u>	<u>3,368,780</u>
Total Liabilities and Net Assets	<u>\$ 3,409,369</u>	<u>\$ 3,659,351</u>

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

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue and Support Without Donor Restrictions:		
Associated student body fees	\$ 3,465,408	\$ 3,780,237
University contract services (Note 6)	617,361	510,024
Miscellaneous	<u>54,379</u>	<u>106,549</u>
Total Revenue and Support Without Donor Restrictions	4,137,148	4,396,810
Expenses:		
Program services - student services	3,891,876	3,997,562
Supporting services - general and administrative	<u>518,135</u>	<u>386,934</u>
Total Expenses	<u>4,410,011</u>	<u>4,384,496</u>
Operating Income (Loss)	(272,863)	12,314
Other Non-Operating Income (Note 9)	<u>219,092</u>	<u>-</u>
Change in Net Assets	(53,771)	12,314
Net Assets - Without Donor Restrictions, beginning	<u>3,368,780</u>	<u>3,356,466</u>
Net Assets - Without Donor Restrictions, ending	<u>\$ 3,315,009</u>	<u>\$ 3,368,780</u>

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

Year Ended June 30, 2023

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	Student Services	General and Administrative	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Scholarships	\$ 2,998,355	\$ -	\$ 2,998,355
University contract expenses (Note 6)	216,127	401,234	617,361
Supplies	499,811	36,953	536,764
Insurance	78,620	1,156	79,776
Space rental	28,178	23,790	51,968
Travel	3,878	22,304	26,182
Minor equipment	26,180	-	26,180
Office expense	21,005	1,144	22,149
Accounting	-	19,000	19,000
Information technology	17,500	-	17,500
Advertising and promotion	-	6,381	6,381
Utilities	-	3,589	3,589
Dues and subscriptions	424	1,361	1,785
Repairs and maintenance	595	628	1,223
Depreciation	839	-	839
Miscellaneous	-	595	595
Conference, conventions, and meetings	190	-	190
Bank fees	174	-	174
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses	<u>\$ 3,891,876</u>	<u>\$ 518,135</u>	<u>\$ 4,410,011</u>

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

Year Ended June 30, 2022

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	Student Services	General and Administrative	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Scholarships	\$ 2,608,814	\$ -	\$ 2,608,814
University contract expenses (Note 6)	177,427	332,597	510,024
Supplies	442,349	16,950	459,299
Travel	418,377	9,166	427,543
Transfer of student fees	151,421	-	151,421
Insurance	132,326	1,163	133,489
Minor equipment	28,056	-	28,056
Accounting	-	20,800	20,800
Information technology	17,000	-	17,000
Space rental	11,083	-	11,083
Office expense	5,773	782	6,555
Conference, conventions, and meetings	2,975	249	3,224
Dues and subscriptions	620	2,604	3,224
Utilities	-	2,111	2,111
Depreciation	1,341	-	1,341
Advertising and promotion	-	444	444
Repairs and maintenance	-	68	68
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses	<u>\$ 3,997,562</u>	<u>\$ 386,934</u>	<u>\$ 4,384,496</u>



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

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (53,771)	\$ 12,314
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	839	1,341
Changes in operating assets and liabilities:		
Accounts receivable	1,439	(1,439)
Due from related parties	(150,920)	616,035
Prepaid expenses	708	4,028
Accounts payable and accrued expenses	(26,620)	21,544
Due to related parties	(169,591)	116,920
	<u>(397,916)</u>	<u>770,743</u>
Net Cash Provided (Used) by Operating Activities	(397,916)	770,743
Cash Flows Provided by Investing Activities:		
Proceeds from sale of investments	-	54,632
	<u>-</u>	<u>54,632</u>
Net Increase (Decrease) in Cash	(397,916)	825,375
Cash, beginning	<u>3,642,541</u>	<u>2,817,166</u>
Cash, ending	<u>\$ 3,244,625</u>	<u>\$ 3,642,541</u>

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

## Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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### Note 1 - Organization and Summary of Significant Accounting Policies

#### Nature of Activities

The Associated Students, California State University, Bakersfield, Inc. (the Organization) was formed and operates as a non-profit auxiliary organization of California State University, Bakersfield (CSU Bakersfield or the University) located in Bakersfield, California. The Organization exists as an advocate for students and provides programs which encourage leadership development, educational interests, and cultural awareness both at the University and statewide. The Organization has been in operation since 1976 and became a viable fiscal entity with the introduction of mandatory student fees by an election in 1977. The Organization's primary source of revenue is associated student body fees. Associated student body fees collected by the University and remitted to the Organization are included in revenue and support without donor restrictions in the statement of activities.

#### Financial Statement Presentation

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

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2023 and 2022.

#### Use of Estimates

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

#### Income Taxes

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

The Organization follows U.S. GAAP related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2023 and 2022, and therefore, no amounts have been accrued.

#### 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 a price concession for uncollectible amounts. For the years ended June 30, 2023 and 2022, no price concession for uncollectible amounts was considered necessary.

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

## Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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

#### Investments

The Organization carried investments in California State University, Bakersfield's U.S. Bank CSU Consolidated Investment Pool. Its purpose is to provide sufficient and immediate liquidity to meet the operating needs of the Organization. The investment objective is to achieve prudent return within a moderate risk level. The fair value is determined using quoted market prices. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. Unrealized gains and losses are included in the change in net assets in the statements of activities. During the year ended June 30, 2022, the Organization liquidated its position in the CSU Consolidated Investment Pool, therefore, no investments are reported at June 30, 2023 and 2022.

#### Property and Equipment

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

#### Revenue Recognition

Each matriculated student of the University was required to pay associated student body fees of \$210 per Fall and Spring semester and \$126 per Summer semester for the year ended June 30, 2023, and \$204 per Fall and Spring semester and \$122 per Summer semester for the year ended June 30, 2022. Fees are due and collectable prior to the first day of the academic semester. These payments, collected by the University then transferred to the Organization, support the Organization's program activities and are recognized by the Organization when cash receipts are received on a ratable basis over the academic semester, which is when the program services are delivered. The Organization may not receive the full amount of fees charged to students if amounts remain uncollected.

Miscellaneous revenue is primarily composed of chartered club activities. Revenue is recognized at a point in time when the transfer of the goods occurs, or the student attends the event.

#### Advertising

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

#### Functional Expense Allocations

The Organization's accounting system is established to record expenses by fund, department and natural expense. Expense function is determined by a combination of fund and department. With the exception of the student club fund, all other funds have expenses that are programmatic and general and administrative in nature.

#### Subsequent Events

The Organization has evaluated subsequent events through September 15, 2023, which is the date the financial statements were available to be issued.

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

### Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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#### 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>2023</u>	<u>2022</u>
Cash	\$ 3,244,625	\$ 3,642,541
Accounts receivable	-	1,439
Due from related parties	<u>164,744</u>	<u>13,824</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,409,369</u>	<u>\$ 3,657,804</u>

The Organization is substantially supported by associated student body fees collected by the University and these fees are subsequently transferred to the Organization. The fees carry no donor restrictions, and therefore, all financial assets are available for general expenditure within one year. The Organization has no other liquid assets available from which to draw.

#### Note 3 - Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

#### Note 4 - Property and Equipment

Property and equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 53,875	\$ 53,875
Leasehold improvements	<u>254,852</u>	<u>254,852</u>
	308,727	308,727
Less accumulated depreciation	<u>(308,727)</u>	<u>(307,888)</u>
	<u>\$ -</u>	<u>\$ 839</u>

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

## Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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### Note 5 - Revenue Recognition

#### Significant Judgments

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

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

### Note 6 - University Contract Services

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets in the form of university contract services recognized within the statement of activities include:

	<u>2023</u>	<u>2022</u>
University employee services:		
Programming services	\$ 186,827	\$ 148,126
General and administrative services	401,234	332,598
Rent of University facilities	<u>29,300</u>	<u>29,300</u>
Total University contract services	<u>\$ 617,361</u>	<u>\$ 510,024</u>

The Organization recognized contributed nonfinancial assets within revenue including contributed University employee services and rent of University facilities. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services include University employees who provide direct programming services to the Organization including planning, managing, and overseeing programming events and activities. Additionally, University employees provide indirect services on behalf of the Organization including accounting services, human resource services, facility management services, information technology services and other administrative services as appropriate. Contributed services are valued at the estimated fair value in the financial statements based on the estimated employee cost to provide programming, general and administrative services.

The Organization uses University facilities to provide programming activities. The Organization paid no rent to the University and has recognized a contributed nonfinancial asset equal to the fair market value of this rent for similar facilities.

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

### Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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#### Note 7 - Related Party Transactions

The Organization receives associated student body fees from the University to provide benefits to the student body of the University. Other payments received from the University includes receipts for use of operating various student-led programs.

The Organization provides scholarships to students, which are recognized as payments to the University. The Organization also reimburses the University for costs incurred to carry out the mission of the Intercollegiate Athletic program and student club activities.

California State University, Bakersfield Foundation (Foundation) functions to benefit the student body of the University by fundraising for University programs and activities. Payments received from the Foundation include receipts supporting the Organization's student body programs and services. Payments to the Foundation are for fundraising activities benefiting University programs and activities.

California State University, Bakersfield, Student-centered Enterprises, Inc. (Student-centered Enterprises) functions to enhance the student experience by operating various programming facilities. Payments received from Student-centered Enterprises are to support student body programs and services. During the year ended June 30, 2023, payments to Student-centered Enterprises was for the use of the Organization's programming facilities and equipment. During the year ended June 30, 2022, payments to Student-centered Enterprises was to support the Children's Center, use of the Organization's programming facilities and equipment as well as to support other programs and services.

Related party transactions as of and for the years ended June 30, 2023, and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Payments received from:		
University	\$ 3,465,408	\$ 3,780,237
Foundation	907	3,264
Student-centered Enterprises	<u>10,000</u>	<u>10,000</u>
	<u>\$ 3,476,315</u>	<u>\$ 3,793,501</u>
Payments to:		
University	\$ 3,488,402	\$ 3,674,692
Foundation	395	544
Student-centered Enterprises	<u>12,991</u>	<u>157,885</u>
	<u>\$ 3,501,788</u>	<u>\$ 3,833,121</u>

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

### Notes to Financial Statements

Years Ended June 30, 2023 and 2022

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#### Note 7 - Related Party Transactions, continued

	<u>2023</u>	<u>2022</u>
Due from related parties:		
University	\$ 147,715	\$ 13,824
Foundation	17,029	-
	<u>\$ 164,744</u>	<u>\$ 13,824</u>
Due to related parties:		
University	\$ 45,173	\$ 213,981
Foundation	80	444
Student-centered Enterprises	5,696	6,115
	<u>\$ 50,949</u>	<u>\$ 220,540</u>

For the years ended June 30, 2023 and 2022, the Foundation reimbursed the Organization's scholarship payments of \$399,152 and \$630,664, respectively. The reimbursement is reported in program services – student services on the statement of activities and netted against scholarships expense on the statement of functional expenses.

For the years ended June 30, 2023 and 2022, the Organization also recorded University contract services revenue and expense in the amount of \$617,361 and \$510,024, respectively, as noted in Note 6.

#### Note 8 - Contingency

From time to time, the Organization is subject to various litigation as a result of their activities. Management believes that the outcome of any such litigation will not have a material adverse effect on the Organization's financial position, changes in net assets, or liquidity.

#### Note 9 - Other Non-Operating Income

Student-centered Enterprises, a related party, previously managed a Children's Center on campus to provide daycare services to students attending California State University, Bakersfield. During the year ended June 30, 2023, programming activities previously covered under Student-centered Enterprises were discontinued. ASI children's center fees will be administered and managed by the Organization going forward. As a result of the change in Student-centered Enterprises operations, unspent funds of \$219,092 were transferred back to the Organization. This was recorded as other non-operating income for the year end June 30, 2023, on the statement of activities.

## SUPPLEMENTAL INFORMATION



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

**Schedules of Activities by Fund**

Year Ended June 30, 2023

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Revenue and Support Without Donor Restrictions:								
Associated student body fees	\$ 213,676	\$ 451,820	\$ 137,959	\$ 2,590,055	\$ 10,146	\$ 61,752	\$ -	\$ 3,465,408
University contract services (Note 6)	330,367	21,459	29,259	21,459	186,558	28,259	-	617,361
Miscellaneous	-	-	-	-	-	8,000	46,379	54,379
<b>Total Revenue and Support Without Donor Restrictions</b>	<b>544,043</b>	<b>473,279</b>	<b>167,218</b>	<b>2,611,514</b>	<b>196,704</b>	<b>98,011</b>	<b>46,379</b>	<b>4,137,148</b>
Expenses:								
Program services - student services	316,506	378,557	290	2,991,647	85,986	24,073	94,817	3,891,876
Supporting services - general and administrative	281,444	23,674	29,998	33,983	120,410	28,626	-	518,135
<b>Total Expenses</b>	<b>597,950</b>	<b>402,231</b>	<b>30,288</b>	<b>3,025,630</b>	<b>206,396</b>	<b>52,699</b>	<b>94,817</b>	<b>4,410,011</b>
Other Non-Operating Income (Note 9)	-	-	219,092	-	-	-	-	219,092
Change in Net Assets	(53,907)	71,048	356,022	(414,116)	(9,692)	45,312	(48,438)	(53,771)
Net Assets - Without Donor Restrictions, beginning	1,250,479	14,119	1,962	1,632,713	169,370	172,880	127,257	3,368,780
Net Assets - Without Donor Restrictions, ending	\$ 1,196,572	\$ 85,167	\$ 357,984	\$ 1,218,597	\$ 159,678	\$ 218,192	\$ 78,819	\$ 3,315,009

See independent auditor's report.

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

**Schedules of Activities by Fund**

Year Ended June 30, 2022

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Chartered Clubs	Total
Revenue and Support Without Donor Restrictions:								
Associated student body fees	\$ 281,084	\$ 485,167	\$ 149,632	\$ 2,776,846	\$ 18,862	\$ 68,646	\$ -	\$ 3,780,237
University contract services (Note 6)	285,209	12,602	20,202	12,602	160,207	19,202	-	510,024
Miscellaneous	26,442	-	-	-	-	8,000	72,107	106,549
<b>Total Revenue and Support Without Donor Restrictions</b>	<b>592,735</b>	<b>497,769</b>	<b>169,834</b>	<b>2,789,448</b>	<b>179,069</b>	<b>95,848</b>	<b>72,107</b>	<b>4,396,810</b>
Expenses:								
Program services - student services	263,040	772,671	151,421	2,663,905	68,253	14,543	63,729	3,997,562
Supporting services - general and administrative	194,993	15,023	21,246	26,316	109,747	19,609	-	386,934
<b>Total Expenses</b>	<b>458,033</b>	<b>787,694</b>	<b>172,667</b>	<b>2,690,221</b>	<b>178,000</b>	<b>34,152</b>	<b>63,729</b>	<b>4,384,496</b>
Change in Net Assets	134,702	(289,925)	(2,833)	99,227	1,069	61,696	8,378	12,314
Net Assets - Without Donor Restrictions, beginning	1,115,777	304,044	4,795	1,533,486	168,301	111,184	118,879	3,356,466
Net Assets - Without Donor Restrictions, ending	\$ <u>1,250,479</u>	\$ <u>14,119</u>	\$ <u>1,962</u>	\$ <u>1,632,713</u>	\$ <u>169,370</u>	\$ <u>172,880</u>	\$ <u>127,257</u>	\$ <u>3,368,780</u>

See independent auditor's report.

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

## Schedule of Net Position

June 30, 2023

(for inclusion in the California State University)

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### Assets:

#### Current assets:

Cash and cash equivalents	3,244,625
Short-term investments	-
Accounts receivable, net	164,744
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	-

<b>Total current assets</b>	<b>3,409,369</b>
-----------------------------	------------------

#### Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	-
Other assets	-

<b>Total noncurrent assets</b>	<b>-</b>
--------------------------------	----------

<b>Total assets</b>	<b>3,409,369</b>
---------------------	------------------

#### Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-

<b>Total deferred outflows of resources</b>	<b>-</b>
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**ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, INC.**

**Schedule of Net Position, continued**

June 30, 2023

(for inclusion in the California State University)

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**Liabilities:**

**Current liabilities:**

Accounts payable	43,411
Accrued salaries and benefits	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	50,949

**Total current liabilities**

94,360

**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**

94,360

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

**Schedule of Net Position, continued**

June 30, 2023

(for inclusion in the California State University)

---

<b>Deferred inflows of resources:</b>	
P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
<b>Total deferred inflows of resources</b>	<u>-</u>
<b>Net position:</b>	
Net investment in capital assets	-
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	3,315,009
<b>Total net position</b>	<u><u>3,315,009</u></u>

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

**Schedule of Revenues, Expenses, and Changes in Net Position**

Year Ended June 30, 2023

(for inclusion in the California State University)

---

**Revenues:**

**Operating revenues:**

Student tuition and fees, gross	-
Scholarship allowances (enter as negative)	-
<b>Grants and contracts, noncapital:</b>	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances (enter as negative)	-
Other operating revenues	4,137,148
<b>Total operating revenues</b>	<b>4,137,148</b>

**Expenses:**

**Operating expenses:**

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	1,410,817
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	2,998,355
Auxiliary enterprise expenses	-
Depreciation and amortization	839
<b>Total operating expenses</b>	<b>4,410,011</b>
<b>Operating income (loss)</b>	<b>(272,863)</b>

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

Year Ended June 30, 2023

(for inclusion in the California State University)

<b>Nonoperating revenues (expenses):</b>	
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)	219,092
<b>Net nonoperating revenues (expenses)</b>	<b>219,092</b>
<b>Income (loss) before other revenues (expenses)</b>	<b>(53,771)</b>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
<b>Increase (decrease) in net position</b>	<b>(53,771)</b>
<b>Net position:</b>	
Net position at beginning of year, as previously reported	3,368,780
Restatements	-
<b>Net position at beginning of year, as restated</b>	<b>3,368,780</b>
<b>Net position at end of year</b>	<b>3,315,009</b>

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

**Other Information**

June 30, 2023

(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		-
<b>Noncurrent restricted cash and cash equivalents</b>		-
Current cash and cash equivalents		3,244,625
<b>Total</b>	<b>\$</b>	<b>3,244,625</b>

**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:**

<u>Composition of capital assets, excluding ROU assets:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable capital assets:</b>									
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	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	254,852	-	-	-	254,852	-	-	-	254,852
Personal property:									
Equipment	53,875	-	-	-	53,875	-	-	-	53,875
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total Other intangible assets:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total depreciable/amortizable capital assets</b>	<b>308,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308,727</b>
<b>Total capital assets</b>	<b>\$ 308,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 308,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 308,727</b>



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

**Other Information**

June 30, 2023

(for inclusion in the California State University)

	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2022 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2023
<b>Less accumulated depreciation/amortization:</b>									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(254,852)	-	-	-	(254,852)	-	-	-	(254,852)
Personal property:									
Equipment	(53,036)	-	-	-	(53,036)	(839)	-	-	(53,875)
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:	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>(307,888)</b>	-	-	-	<b>(307,888)</b>	<b>(839)</b>	-	-	<b>(308,727)</b>
<b>Total capital assets, net excluding ROU assets</b>	<b>\$ 839</b>	-	-	-	<b>\$ 839</b>	<b>(839)</b>	-	-	-

**Capital Assets, ROU**

**Composition of capital assets - Lease ROU, net:**

	Balance June 30, 2022	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable lease assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable lease assets</b>	-	-	-	-	-	-	-	-	-
<b>Depreciable/Amortizable lease assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable lease assets</b>	-	-	-	-	-	-	-	-	-
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets - lease ROU, net</b>	-	-	-	-	-	-	-	-	-

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

**Other Information**

June 30, 2023

(for inclusion in the California State University)

<u>Composition of capital assets - SBITA ROU, net</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Depreciable/Amortizable SBITA assets:</b>									
Software	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable SBITA assets</b>	-	-	-	-	-	-	-	-	-
<b>Less accumulated depreciation/amortization:</b>									
Software	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets - SBITA ROU, net</b>	-	-	-	-	-	-	-	-	-

<u>Composition of capital assets - P3 ROU, net:</u>	Balance June 30, 2022	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2023
<b>Non-depreciable/Non-amortizable P3 assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable P3 assets</b>	-	-	-	-	-	-	-	-	-
<b>Depreciable/Amortizable P3 assets:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable P3 assets</b>	-	-	-	-	-	-	-	-	-
<b>Less accumulated depreciation/amortization:</b>									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets - P3 ROU, net</b>	-	-	-	-	-	-	-	-	- \$ -

**Total capital assets, net including ROU assets** \$ -

<b>3.2 Detail of depreciation and amortization expense:</b>	
Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 839
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
<b>Total depreciation and amortization</b>	<u>\$ 839</u>

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

**Other Information**

June 30, 2023

(for inclusion in the California State University)

4 Long-term liabilities: Not Applicable

5 Future minimum payments schedule - leases, SBITA, P3: Not Applicable

6 Future minimum payments schedule - Long-term debt obligations: Not Applicable

**7 Transactions with related entities:**

Payments to University for salaries of University personnel working on contracts, grants, and other programs	-
Payments to University for other than salaries of University personnel	3,488,402
Payments received from University for services, space, and programs	3,465,408
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	(45,173)
Other amounts payable to University	-
Accounts receivable from University	147,715
Other amounts receivable from University	-

8 Restatements Not Applicable

**9 Natural classifications of operating expenses:**

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	1,410,817	-	1,410,817
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	2,998,355	-	-	2,998,355
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	839	839
<b>Total operating expenses</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,998,355</b>	<b>1,410,817</b>	<b>839</b>	<b>\$ 4,410,011</b>

No pension plan reported N/A

10 Deferred outflows/inflows of resources: Not Applicable

**11 Other nonoperating revenues (expenses)**

Other nonoperating revenues	219,092
Other nonoperating (expenses)	-
<b>Total other nonoperating revenues (expenses)</b>	<b>\$ 219,092</b>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

To the Audit Committee  
Associated Students, California State University, Bakersfield, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Associated Students, California State University, Bakersfield, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Associated Students, California State University, Bakersfield, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students, California State University, Bakersfield, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Associated Students, California State University, Bakersfield, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*, CONTINUED**

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 15, 2023