

# California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Financial Statements and Supplemental Information

Years Ended June 30, 2018 and 2017



**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Financial Statements and Supplemental Information**

Years Ended June 30, 2018 and 2017

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

### Report on the Financial Statements

We have audited the accompanying financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statements of net position as of June 30, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

### 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration as of June 30, 2018 and 2017, and the changes in its financial position 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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The supplementary information included on pages 15-25 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2018, on our consideration of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and compliance.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 18, 2018

# **CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

## **Management's Discussion and Analysis**

Year Ended June 30, 2018

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This section of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Organization) annual financial report includes management's discussion and analysis of the financial performance of the Organization for the period July 1, 2017 through June 30, 2018. This discussion should be read in conjunction with the financial statements and notes.

### **Introduction to the Financial Statements**

The Organization's financial statements include the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. These statements are supported by notes to the financial statements and management's discussion and analysis. All sections must be considered together to obtain a complete understanding of the financial picture of the Organization.

**Statement of Net Position:** The statement of net position includes all assets and liabilities. Assets and liabilities are reported on an accrual basis, as of the statement date. It also identifies major categories of restrictions of net position of the Organization.

**Statement of Revenues, Expenses, and Changes in Net Position:** The statement of revenues, expenses and changes in net position present the revenues earned and expenses incurred during the year on an accrual basis.

**Statement of Cash Flows:** The statement of cash flows presents the inflows and outflows of cash for the year ended June 30, 2018, and is summarized by operating, noncapital financing, capital and related financing, and investing activities. These statements are prepared using the direct method of cash flows and therefore present gross, rather than net, amounts for the year's activities.

### **Financial Overview**

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities, as of the period July 1, 2017 through June 30, 2018. Included, is an analysis of the current year activities and balances.

The Organization continued the management and operation of several grants, including Center for Research Excellence in Science and Technology (CREST), the Teacher Quality Partnerships – GroSTEM (TQP), Building Healthy Communities, College Assistance Migrant Program (CAMP), Educational Talent Search, High School Equivalency Program (HEP), and Small Business Development Center.

During the year, the total annual revenue for grants, under Organization management, was approximately \$7.7 million. Several grants that were awarded to the Organization in previous years experienced their final year of operation in fiscal year 2017-18.

In its eighth year of operation, the Organization generated approximately \$813 thousand in Facilities and Administrative (F&A) indirect cost recovery – the major source of unrestricted revenue. Although the federal negotiated F&A rate is 47 percent of modified total direct costs, many awards receive a lower rate, and certain categories of expense may not be used when calculating the actual cost recovery. The actual cost recovery rate for the year is 8.9 percent, above the planned rate of 7.7 percent. Projected F&A for fiscal year 2018-19 is 7.9 percent.

### **Grant Highlights**

The Organization administered 58 new and continuing awards during this reporting period. These awards help fund educational, research, and service activities that benefit students, teachers, small businesses, and members of the California State University, Bakersfield (CSU Bakersfield or the University) community. The following comments are brief descriptions of a select number of awards, representative of the ongoing activities and operations of the Organization. They are highlights of awards received by each school, or division, participating in the sponsored program activities of the University.

See independent auditors' report.

# **CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

## **Management's Discussion and Analysis**

Year Ended June 30, 2018

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### **School of Business and Public Administration Grants**

Grant funding in the School of Business and Public Administration comes primarily through the CSU Bakersfield Small Business Development Center (SBDC). This funding enables up to twenty talented professionals to offer confidential, in-depth, one-on-one business consulting, on a wide spectrum of business issues, at no cost to the client. It also provides a student learning component that gives real world, practical experience for students who work along with our consulting professionals. SBDC presents webinars and hosts a number of seminars, conferences, and classes throughout the year. These services are provided to small business owners in Kern, Mono, and Inyo Counties. SBDC's major funding is from the Small Business Administration.

### **Enrollment Management Grants**

CAMP at CSU Bakersfield is one of the federally-funded student equity programs designed to meet the needs of students with migrant or seasonal farm working backgrounds. CAMP, at CSU Bakersfield, is one of 9 CAMP Programs in the state of California, serving 75 students annually. CAMP offers eligible students pre-college transition and first-year support services to help develop the skills necessary to succeed in college. CAMP collaborates with University faculty, student services, and community-based agencies to enhance educational and career opportunities for all CAMP eligible students. CAMP and its staff are committed to helping its students succeed at CSU Bakersfield. CAMP students are immersed with valuable information to assist them in their first year of higher education, and provided follow-up services to guide them in the completion of their baccalaureate degree. 2017/2018 Project Highlights: CAMP had approximately 5 students who graduated with their master's degree and approximately 39 students who graduated with their bachelor's degree.

HEP is a federal grant program, funded by the U.S. Department of Education, Office of Migrant Education. HEP offers a year-round academic program to 100 migrant and seasonal farmworker participants so they can successfully complete their high school equivalency certificate. It also seeks to prepare them to access and obtain improved employment, begin postsecondary studies, or enroll in a vocational training program. HEP, at CSU Bakersfield, is one of 14 High School Equivalency programs in the state of California and the only project providing these specialized services in the southern San Joaquin Valley. Our satellite school centers are located in Wasco, Lamont, Miramonte High School, Golden Valley High School, and CSU Bakersfield during the summer. HEP is on its third consecutive funding cycle, through 2020. HEP alone will serve a minimum of 500 migrant and seasonal farmworkers and their families in a five-year cycle (2015-2020). 2017-18 Project Highlights: One student was a National HEP/CAMP Scholarship recipient. To date, \$9,500 in scholarship funds, from the National HEP/CAMP Association, have been awarded to CSU Bakersfield HEP graduates as financial assistance for their college expenses. HEP successfully assisted 47 participants attain their official GED certificate. To date, HEP has assisted 23 graduates attain placement in higher education, vocational training, or better employment. Currently, five graduates have been enrolled at Bakersfield College for the Fall Semester. One HEP graduate has been admitted to CSU Bakersfield as a transfer student from Taft College.

The Education Talent Search (ETS) is also representative of the enrollment management grants administered through the Organization. It serves three high schools in Kern County, one high school in the McFarland High School district, two middle schools in the Bakersfield School District, and one middle school in the McFarland school district. The ETS program at CSU Bakersfield provides academic, career, and financial counseling to its participants, encouraging them to graduate from high school and continue on to complete their postsecondary education. The ETS program has been on our campus for 31 years and is one of the eight federal programs targeted to serve and assist low-income individuals, first-generation college students, and individuals with disabilities, to progress through the academic pipeline from middle school to post baccalaureate programs. The ETS program is dedicated to creating, promoting, and supporting a college-bound culture in the Kern County community. The mission of the program is to increase the number of low-income students, and potentially first-generation students, who successfully complete high school and postsecondary-educational programs.

## **CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

### **Management's Discussion and Analysis**

Year Ended June 30, 2018

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#### **School of Natural Sciences, Mathematics and Engineering (NSM&E) Grants**

The National Science Foundation (NSF) has supported research and student success in NSM&E by funding several grants within the school. Two representative grant programs currently funded by the agency are CREST and the program on Improving Undergraduate STEM Education (IUSE). These programs are administered by the Organization.

CREST Phase II integrated the educational experience of participating students, in Year 1, by holding bi-weekly all-hands-on meetings that were required for all CREST participants to attend. These meetings helped to monitor progress on research activity, address advising/student success related matters, as well as provide an opportunity for students' research progress presentations, faculty research talks, and guest research speakers. Courses, taught by CREST faculty, were adapted to design a more transdisciplinary curriculum for all CREST participants. Students and faculty participated in outreach activities. Twenty-one students (7 undergraduate, 14 graduate) were granted CREST support for academic year 17/18. Eighteen papers were submitted, are in review, or published in top international journals by CREST participants. Five former and current CREST students finished these this past year. Forty-nine presentations were given at local, national, and regional meetings by CREST participants.

STEM Retention and Graduation; An Integrated Approach: This project consists of a co-teaching and curriculum enhancement scheme in pre-calculus and calculus courses, in-class student tutors, a student ambassador program, and a summer enrichment program for "at-risk" lower division students.

Besides support from the NSF, NSM&E receives research, and other program funding, from other federal agencies, and from private organizations. For example, the U.S. Department of Agriculture (USDA) provided funding to develop experiential learning, and research and extension opportunities, for underrepresented students earning engineering degrees from CSU Bakersfield. This program, titled USDA Novel Research, involves outreach efforts with the potential to reach more than 35,000 high school students and more than 2,000 community college students. 60% of the student participants will come from outside CSU Bakersfield.

The nursing program has received continued funding, from the Office of Statewide Health Planning and Development (OSHPD), for supporting programs that train family and primary care physicians, osteopathic family physicians, primary care physician's assistants, registered nurses and primary care nurse practitioners, to provide necessary services in areas of unmet need within the state. Additionally, funding received from Bakersfield Memorial Hospital and Dignity Health, in support of the Master of Science in Nursing, Family Nurse Practitioner Program, has allowed for the updating of existing equipment and the purchase of new equipment that will be used to enhance the student clinical and simulation experiences, which provide the critical foundation during the first year of the training program.

Conventional, steam flooding-based oil production operations in Kern County, California results in the production of approximately 250,000 acre-ft. of water annually. CSU Bakersfield faculty received funding from private sources which allows for the testing and development of water treatment technologies, to treat the current disposal volumes of associated water, and to use the treated water for various beneficial reuses, which can not only help the oil industry in coping with low oil prices and regulatory constraints related to disposal of oilfield-produced water, but it can also add to the existing water supplies of a region, which often face serious draught conditions.

#### **School of Social Science and Education (SS&E) Grants**

The Teacher Quality Partnership (TQP) grant funding has been integral in establishing the Kern Rural Teacher Residency. The goal of this residency program is to prepare elementary school teachers with specialized emphases in science, technology, engineering, and mathematics (STEM) to teach in rural, high-need school districts. For the partnership, CSU Bakersfield works closely with three rural districts: Buttonwillow Elementary, Lamont Elementary, and Semitropic Elementary. Kern Rural Teacher Residents receive full tuition support for the completion of their teaching credentials and master's degree.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Management's Discussion and Analysis

Year Ended June 30, 2018

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As an important part of this project, hundreds of students, from the three rural districts, participate in Camp Blast, which is a summer STEM academy at the districts and on the CSU Bakersfield campus. Data on the residents' progress through the program is consistently collected and analyzed for program improvement.

The Kern Urban Teacher Residency is a partnership, between the University and the Bakersfield City School District (BCSD). Diverse undergraduate students are recruited and selected to complete their credential program coursework, and clinical practice, in an innovative model including a Saturday Lab School with BCSD students. Grant funding is provided to offset tuition expenses for the CSU Bakersfield students and to provide stipends to the Cooperating Teachers from BCSD. An Educational Coordinator from the University works closely with an administrator from BCSD to coordinate all aspects of the program including selection of residents, Cooperating Teachers, and placement sites. Data on the residents' progress through the program is consistently collected and analyzed for program improvement.

### Other Grants

There is increasing grant activity within other units of the University. During the reporting period, the Office of Grants, Research, and Sponsored Programs served as the financial hub for continuation of the Building Healthy Communities (BHC) grant, funded by the California Endowment. This program is part of a long-term effort to address poverty and improve health and economic status of communities in South Kern County through deep, sustained community-driven investments and partnerships.

### Statements of Net Position

	2018	2017	2016
Assets:			
Current assets	\$ 2,911,140	\$ 3,170,393	\$ 2,487,599
Capital assets	200,179	181,365	113,861
Total Assets	3,111,319	3,351,758	2,601,460
Liabilities:			
Current liabilities	2,017,020	2,214,032	1,493,739
Net Position	\$ 1,094,299	\$ 1,137,726	\$ 1,107,721

### Assets

Assets decreased by \$240 thousand to \$3.1 million due to an increase in cash of \$439 thousand, a decrease in accounts receivable of \$675 thousand, a decrease of \$22 thousand in amounts due from related parties, and an increase of \$19 thousand in capital assets.

### Liabilities

Total liabilities decreased by \$197 thousand to \$2 million due, largely to, a decrease in deferred revenue of \$290 thousand, and a decrease of \$111 thousand in amounts due to related parties, accounts payable increase of \$67 thousand, and an increase of accrued expenses of \$137 thousand.

### Net Position

Total net position decreased by \$43 thousand. Most of the cost recovery generated was used to reimburse expenses the University incurred in post-award and fiscal administration services. This year, the Organization generated enough facilities and administrative cost recovery revenue, not only to reimburse the University for fiscal administration services and academic release time salaries, but also, the University was able to invest in a software that will be used by the compliance team to improve tracking of the grants.

See independent auditors' report.



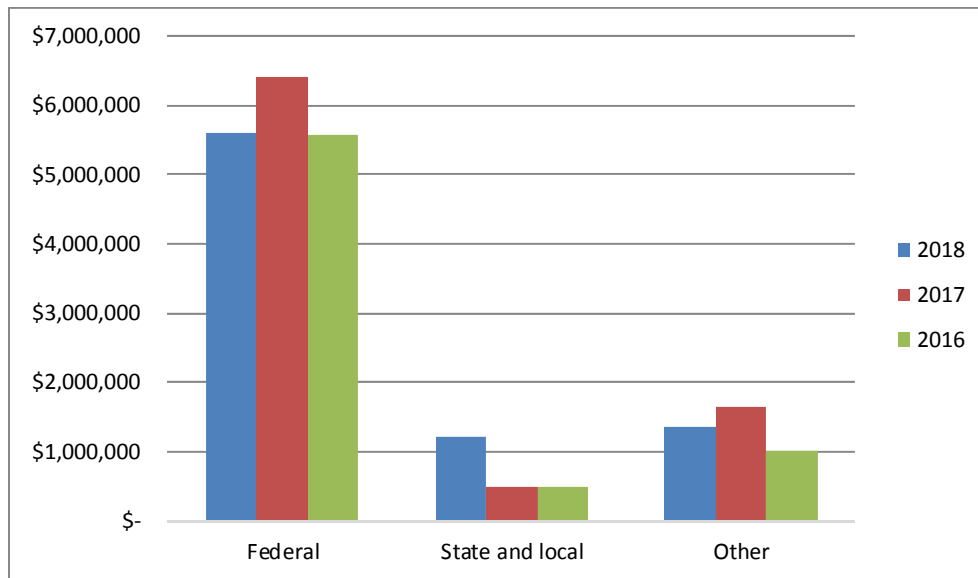
**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
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**Management's Discussion and Analysis**  
Year Ended June 30, 2018

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

	2018	2017	2016
Operating Revenue and Other Support:			
Grants	\$ 7,691,371	\$ 7,969,378	\$ 6,828,684
Other operating revenues	498,434	569,185	244,055
Total Operating Revenue and Other Support	8,189,805	8,538,563	7,072,739
Expenses:			
Program services	7,441,170	7,868,912	6,356,710
General and administrative	792,062	476,065	332,794
Total Expenses	8,233,232	8,344,977	6,689,504
Change in operations before transfer	(43,427)	193,586	383,235
Transfer of Net Deficit, Children's Center (Note 5)	-	(163,581)	-
Change in Net Position	(43,427)	30,005	383,235
Net Position, beginning	1,137,726	1,107,721	724,486
Net Position, ending	\$ 1,094,299	\$ 1,137,726	\$ 1,107,721

**Revenue**



Overall revenues decreased from \$8.5 to \$8.2 million. While the federal share of revenue decreased from 75 to 69 percent, state share increased from 3 to 10 percent, local share increased from 3 to 5 percent, and other revenue decreased from 19 to 16 percent. The decrease in the federal share is due to a TQP grant activity reduction of \$355 thousand, Substance Abuse Training Program grant of \$195 thousand, and the closure of SBDC 2016 of \$119 thousand. Increases from state share of revenue is due to the Children's Center of \$169 thousand, Integrated Teacher Preparation of \$116 thousand, new OSHPD grants of \$178 thousand, SBDC 2017 Go-Biz of \$48 thousand, and Corps, Clergy & Community of \$27 thousand.

# **CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

## **Management's Discussion and Analysis**

Year Ended June 30, 2018

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### **Expenses**

Program expenses represent costs related to administering the grants awarded. These expenses can be classified into payroll and non-payroll related expenses. Payroll related expenses total \$4.2 million, whereas \$4 million relates to non-payroll grant expenses. General and administrative expenses consist of expenses related to faculty-released time and reimbursements to the University for business and administrative services. General and administrative expenses increased by \$316 thousand due to an increase of \$124 thousand in information technology software for intellectual property and \$201 thousand of F&A returned to the University.

### **Factors Bearing on the Organization's Future**

Additional grants have been awarded to the University during the past fiscal year and subsequent to year-end. Management intends to manage these grants through the Organization within the next fiscal year.

### **Contacting the Organization's Financial Management**

The Organization's financial report is designed to provide the Organization's Board of Directors, management, legislative and oversight agencies, citizens, and customers with an overview of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's finances, and to demonstrate its accountability for funds received. For additional information about this report, please contact Dr. Imeh Ebong, Associate Vice President – Grants, Research & Sponsored Programs (GRaSP) at 9001 Stockdale Highway, Bakersfield, California 93311.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Statements of Net Position**

June 30, 2018 and 2017

<b>ASSETS</b>	<u>2018</u>	<u>2017</u>
Cash	\$ 1,886,428	\$ 1,447,256
Accounts receivable	964,515	1,639,563
Due from related parties	58,633	81,092
Prepaid expenses	1,564	2,482
Capital assets, net of accumulated depreciation	<u>200,179</u>	<u>181,365</u>
 Total Assets	 3,111,319	 3,351,758
 <b>LIABILITIES</b>		
Accounts payable	237,278	170,337
Due to related parties	849,474	960,474
Accrued expenses	173,457	36,048
Deferred revenue	<u>756,811</u>	<u>1,047,173</u>
 Total Liabilities	 <u>2,017,020</u>	 <u>2,214,032</u>
 <b>NET POSITION</b>		
Net investment in capital assets	200,179	181,365
Unrestricted	<u>894,120</u>	<u>956,361</u>
 Total Net Position	 <u>\$ 1,094,299</u>	 <u>\$ 1,137,726</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
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**Statements of Revenues, Expenses, and Changes in Net Position**

Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenue and Other Support:		
Grants:		
Federal	\$ 5,616,489	\$ 6,404,058
State	800,543	252,024
Local	408,350	237,146
Non-governmental	865,989	1,076,150
Other	<u>498,434</u>	<u>569,185</u>
Total Operating Revenue and Other Support	8,189,805	8,538,563
Operating Expenses:		
Program services	7,441,170	7,868,912
General and administrative	<u>792,062</u>	<u>476,065</u>
Total Operating Expenses	<u>8,233,232</u>	<u>8,344,977</u>
Operating Income (Expense) Before Transfer	(43,427)	193,586
Transfer of Net Deficit, Children's Center (Note 5)	<u>-</u>	<u>(163,581)</u>
Change in Net Position	(43,427)	30,005
Net Position, beginning	<u>1,137,726</u>	<u>1,107,721</u>
Net Position, ending	<u>\$ 1,094,299</u>	<u>\$ 1,137,726</u>

See accompanying notes to financial statements.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
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**Statements of Cash Flows**

Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities:		
Grant revenue receipts	\$ 8,596,950	\$ 8,821,130
Payments to suppliers	(3,859,096)	(4,285,622)
Payments to employees	(4,233,401)	(4,015,087)
	504,453	520,421
Net Cash Provided by Operating Activities		
Cash Flows Used by Capital and Related Financing Activities:		
Acquisitions of capital assets	(65,281)	(86,573)
	439,172	433,848
Net Increase in Cash		
Cash, beginning	1,447,256	1,013,408
Cash, ending	\$ 1,886,428	\$ 1,447,256
Cash Flows from Operating Activities:		
Operating income (expense)	\$ (43,427)	\$ 30,005
Transfer of Children's Center	-	163,581
Adjustments to reconcile operating income (expense) to net cash provided by operating activities:		
Depreciation	39,616	36,486
Reductions of capital assets	6,851	-
Changes in operating assets and liabilities:		
Outstanding checks in excess of bank balance	-	(140,748)
Accounts receivable	675,048	(342,753)
Due from related parties	22,459	106,551
Prepaid expenses	918	(685)
Accounts payable	66,941	(153,029)
Due to related parties	(111,000)	308,521
Accrued expenses	137,409	(6,277)
Deferred revenue	(290,362)	518,769
	504,453	520,421
Net Cash Provided by Operating Activities	\$ 504,453	\$ 520,421
Transfer of Children's Center program on July 1, 2016 (Note 5):		
Accounts receivable	\$ -	\$ 12,059
Capital assets, net of accumulated depreciation	-	17,417
Outstanding checks in excess of bank balance	-	(140,748)
Accounts payable	-	(43,984)
Accrued expenses	-	(8,325)
	-	(163,581)
Net transfer	\$ -	\$ (163,581)

See accompanying notes to financial statements.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Notes to Financial Statements

Years Ended June 30, 2018 and 2017

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

#### Nature of Activities

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (Organization) was incorporated in the State of California on August 28, 2009. The Organization was formed and operated solely for the benefit of California State University, Bakersfield as a non-profit auxiliary organization. The Organization is responsible for the accomplishment of certain University objectives that require financial support not provided by the State. These activities occur in all aspects of University life, including the development and administration of sponsored grants and contracts for faculty and staff research and educational projects.

#### Basis of Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

#### Use of Estimates

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

#### Income Taxes

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

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of revenues, expenses, and changes in net position, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2018 and 2017 and therefore no amounts have been accrued.

#### Accounts Receivable

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time. If amounts become uncollectible, they will be charged to operations when that determination is made.

#### Capital Assets

The Organization capitalizes all expenditures for capital assets in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of 3 to 30 years.

#### Deferred Revenue

Deferred revenue represents grant revenue received in advance.

#### Advertising

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

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Notes to Financial Statements**

Years Ended June 30, 2018 and 2017

**Note 1 – Organization and Summary of Significant Accounting Policies**

Subsequent Events

The Organization has evaluated subsequent events through September 18, 2018, which is the date the financial statements were available to be issued.

**Note 2 – 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. At June 30, 2018, the Organization's uninsured cash balance was \$1,643,180. The Organization manages this risk by using high quality financial institutions.

**Note 3 – Capital Assets**

Changes in capital assets consist of the following for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Reductions	Transfer from Children's Center (Note 5)	Balance June 30, 2018
Equipment	\$ 280,169	\$ 55,635	\$ 11,110	\$ -	\$ 324,694
Leasehold improvements	20,000	-	-	-	20,000
Buildings and improvements	-	9,646	-	-	9,646
Less accumulated depreciation	<u>(118,804)</u>	<u>(39,616)</u>	<u>(4,259)</u>	-	<u>(154,161)</u>
	<u>\$ 181,365</u>	<u>\$ 25,665</u>	<u>\$ 6,851</u>	<u>\$ -</u>	<u>\$ 200,179</u>

Changes in capital assets consist of the following for the year ended June 30, 2017:

	Balance June 30, 2016	Additions	Reductions	Transfer from Children's Center (Note 5)	Balance June 30, 2017
Equipment	\$ 193,596	\$ 86,573	\$ -	\$ -	\$ 280,169
Leasehold improvements	-	-	-	20,000	20,000
Less accumulated depreciation	<u>(79,735)</u>	<u>(36,486)</u>	-	<u>(2,583)</u>	<u>(118,804)</u>
	<u>\$ 113,861</u>	<u>\$ 50,087</u>	<u>\$ -</u>	<u>\$ 17,417</u>	<u>\$ 181,365</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Notes to Financial Statements**

Years Ended June 30, 2018 and 2017

**Note 4 – Related Party Transactions**

The University provides accounting and payroll services to the Organization. Additionally, the University collects funds on behalf of the Organization related to draw downs on their various grants.

California State University, Bakersfield Foundation (Foundation) collected funds on behalf of the Organization for a matching contribution related to a grant awarded to the Organization. Additionally, the Foundation provides various services to the Organization.

Associated Students, California State University, Bakersfield, Inc. (Associated Students) and California State University, Bakersfield Student Union (Student Union) provide various services to the Organization.

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

	<u>2018</u>	<u>2017</u>
Revenue:		
University	\$ 34,589	\$ 37,304
Foundation	47,483	195,716
Associated Students	<u>147,734</u>	<u>125,898</u>
	<u>\$ 229,806</u>	<u>\$ 358,918</u>
Expenses:		
Services from other agencies:		
University	\$ 4,105,356	\$ 3,932,884
Foundation	7,240	203,010
Associated Students	6,278	-
Student Union	<u>10,048</u>	<u>15,563</u>
	<u>\$ 4,128,922</u>	<u>\$ 4,151,457</u>
Due from:		
University	\$ 10,539	\$ 941
Foundation	47,483	24,253
Associated Students	<u>611</u>	<u>55,898</u>
	<u>\$ 58,633</u>	<u>\$ 81,092</u>
Due to:		
University	\$ 843,112	\$ 959,134
Foundation	39	800
Associated Students	6,278	-
Student Union	<u>45</u>	<u>540</u>
	<u>\$ 849,474</u>	<u>\$ 960,474</u>

**Note 5 – Transfer of Children’s Center**

In fiscal year 2016, the California Department of Education approved the transfer of the California State University, Bakersfield Foundation Children’s Center contracts for both preschool and child care and development to the Organization. The effective date of the transfer was July 1, 2016.



## SUPPLEMENTAL INFORMATION

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2018

	Program Services	General and Administrative	Total
Salaries	\$ 3,493,660	\$ -	\$ 3,493,660
Stipends	1,216,955	-	1,216,955
Services from other agencies	400,003	580,573	980,576
Payroll taxes and benefits	877,150	-	877,150
Supplies	747,993	3,566	751,559
Travel	211,086	7,801	218,887
Small equipment	90,109	124,210	214,319
Conference and meetings	113,314	2,995	116,309
Miscellaneous	89,307	2,843	92,150
Professional fees	35,519	44,314	79,833
Printing and publications	40,203	-	40,203
Depreciation	39,616	-	39,616
Events	25,509	-	25,509
Dues and subscriptions	7,611	14,934	22,545
Rent	15,279	-	15,279
Insurance	4,256	10,707	14,963
Telephone	12,801	-	12,801
Parking	8,985	69	9,054
Advertising	8,004	-	8,004
Repairs and maintenance	2,472	50	2,522
Scholarships	700	-	700
Postage	638	-	638
	<u>7,441,170</u>	<u>792,062</u>	<u>8,233,232</u>
Total Expenses	\$ <u>7,441,170</u>	\$ <u>792,062</u>	\$ <u>8,233,232</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenses by Natural Classification**

Year Ended June 30, 2017

	Program Services	General and Administrative	Total
Salaries	\$ 3,362,158	\$ -	\$ 3,362,158
Stipends	1,589,858	-	1,589,858
Supplies	898,398	10,439	908,837
Payroll taxes and benefits	889,447	-	889,447
Services from other agencies	439,495	384,674	824,169
Travel	211,197	14,700	225,897
Miscellaneous	83,508	3,270	86,778
Conference and meetings	86,048	2,980	89,028
Professional fees	44,846	42,700	87,546
Small equipment	81,444	1,695	83,139
Rent	44,866	1,728	46,594
Depreciation	36,486	-	36,486
Printing and publications	33,852	1,253	35,105
Repairs and maintenance	20,223	94	20,317
Dues and subscriptions	10,590	3,500	14,090
Insurance	4,578	8,901	13,479
Telephone	11,668	-	11,668
Scholarships	11,061	-	11,061
Parking	6,399	131	6,530
Advertising	2,196	-	2,196
Postage	594	-	594
	<u>7,868,912</u>	<u>476,065</u>	<u>8,344,977</u>
Total Expenses	\$ <u>7,868,912</u>	\$ <u>476,065</u>	\$ <u>8,344,977</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Net Position**

June 30, 2018

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 1,886,428
Short-term investments	—
Accounts receivable, net	1,023,148
Capital lease receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	1,564
<b>Total current assets</b>	<b>2,911,140</b>

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	200,179
Other assets	—
<b>Total noncurrent assets</b>	<b>200,179</b>

**Total assets** **3,111,319**

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
<b>Total deferred outflows of resources</b>	<b>—</b>

Liabilities:

Current liabilities:

Accounts payable	1,086,752
Accrued salaries and benefits	116,237
Accrued compensated absences, current portion	45,618
Unearned revenues	756,811
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	11,602
<b>Total current liabilities</b>	<b>2,017,020</b>

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	—
<b>Total noncurrent liabilities</b>	<b>—</b>

**Total liabilities** **2,017,020**

Deferred inflows of resources:

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

Net Position:

Net investment in capital assets	200,179
Restricted for:	—
Nonexpendable – endowments	—
Expendable:	—
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	894,120
<b>Total net position</b>	<b>\$ 1,094,299</b>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

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

Year Ended June 30, 2018

(for inclusion in the California State University)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	—
Scholarship allowances (enter as negative)		—
Grants and contracts, noncapital:		
Federal		5,616,489
State		800,543
Local		408,350
Nongovernmental		865,989
Sales and services of educational activities		—
Sales and services of auxiliary enterprises, gross		—
Scholarship allowances (enter as negative)		—
Other operating revenues		498,434
Total operating revenues		<u>8,189,805</u>
Expenses:		
Operating expenses:		
Instruction		504,790
Research		1,362,054
Public service		1,678,083
Academic support		400,351
Student services		1,366,796
Institutional support		849,764
Operation and maintenance of plant		—
Student grants and scholarships		2,031,778
Auxiliary enterprise expenses		—
Depreciation and amortization		39,616
Total operating expenses		<u>8,233,232</u>
Operating income (loss)		<u>(43,427)</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)		(43,427)
State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		(43,427)
Net position:		
Net position at beginning of year, as previously reported		1,137,726
Restatements		—
Net position at beginning of year, as restated		<u>1,137,726</u>
Net position at end of year	\$	<u><u>1,094,299</u></u>

See independent auditors' report.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2018

(for inclusion in the California State University)

### 1 Restricted cash and cash equivalents at June 30, 2018:

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

### 2.1 Composition of investments at June 30, 2018:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—
Mutual funds	—	—	—	—	—	—	—
Money Market funds	—	—	—	—	—	—	—
Repurchase agreements	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—
Asset backed securities	—	—	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—	—	—
Municipal bonds	—	—	—	—	—	—	—
U.S. agency securities	—	—	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—	—	—
Equity securities	—	—	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—	—	—
Alternative investments:							
Private equity (including limited partnerships)	—	—	—	—	—	—	—
Hedge funds	—	—	—	—	—	—	—
Managed futures	—	—	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—	—	—
Commodities	—	—	—	—	—	—	—
Derivatives	—	—	—	—	—	—	—
Other alternative investment types	—	—	—	—	—	—	—
Other external investment pools (excluding SWIFT)							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Other major investments:							
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—
Total investments	—	—	—	—	—	—	—
Less endowment investments (enter as negative number)	—	—	—	—	—	—	—
Total investments	—	—	—	—	—	—	—

### 2.2 Investments held by the University under contractual agreements at June 30, 2018:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2018 :	—	—	—	—	—	—	—
---	---	---	---	---	---	---	---

See independent auditors' report.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2018

(for inclusion in the California State University)

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

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

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

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

See independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

**Other Information**

June 30, 2018

(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2018:

	Balance June 30, 2017	Prior period Adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2018
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	—	—	—	—	—	—	—	—
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	—	—	—	—	—	—	—	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	9,646	—	—	9,646
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	20,000	—	—	20,000	—	—	—	20,000
Personal property:								
Equipment	280,169	—	—	280,169	55,635	(11,110)	—	324,694
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	300,169	—	—	300,169	65,281	(11,110)	—	354,340
Total capital assets	300,169	—	—	300,169	65,281	(11,110)	—	354,340
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	(147)	—	—	(147)
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(4,583)	—	—	(4,583)	(2,000)	—	—	(6,583)
Personal property:								
Equipment	(114,221)	—	—	(114,221)	(37,469)	4,259	—	(147,431)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(118,804)	—	—	(118,804)	(39,616)	4,259	—	(154,161)
Total capital assets, net	\$ 181,365	—	—	181,365	25,665	(6,851)	—	200,179

See independent auditors' report.



# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2018

(for inclusion in the California State University)

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

Depreciation and amortization expense related to capital assets	\$ 39,616
Amortization expense related to other assets	—
<b>Total depreciation and amortization</b>	<b>\$ 39,616</b>

### 4 Long-term liabilities activity schedule:

	Balance June 30, 2017	Prior period adjustments	Reclassifications	Balance June 30, 2017 (restated)	Additions	Reductions	Balance June 30, 2018	Current portion	Long-term portion
Accrued compensated absences	\$ 30,923	—	—	30,923	38,336	(23,641)	45,618	45,618	—
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capital lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capital lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
<b>Total long-term liabilities</b>	<b>\$ 30,923</b>	<b>—</b>	<b>—</b>	<b>30,923</b>	<b>38,336</b>	<b>(23,641)</b>	<b>45,618</b>	<b>45,618</b>	<b>—</b>

### 5 Future minimum lease payments - Capital lease obligations:

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

See independent auditors' report.

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2018

(for inclusion in the California State University)

### 6 Long-term debt obligations schedule:

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
	Year ending June 30:								
2019	\$ —	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—
2024 - 2028	—	—	—	—	—	—	—	—	—
2029 - 2033	—	—	—	—	—	—	—	—	—
2034 - 2038	—	—	—	—	—	—	—	—	—
2039 - 2043	—	—	—	—	—	—	—	—	—
2044 - 2048	—	—	—	—	—	—	—	—	—
2049 - 2053	—	—	—	—	—	—	—	—	—
2054 - 2058	—	—	—	—	—	—	—	—	—
2059 - 2063	—	—	—	—	—	—	—	—	—
2064 - thereafter	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
<b>Long-term debt obligations, net of current portion</b>									<b>\$ —</b>

### 7 Calculation of net position:

#### 7.1 Calculation of net position - Net investment in capital assets

Capital assets, net of accumulated depreciation	\$ 200,179
Capital lease obligations, current portion	—
Capital lease obligations, net of current portion	—
Long-term debt obligations, current portion	—
Long-term debt obligations, net of current portion	—
Portion of outstanding debt that is unspent at year-end (enter as positive if negative)	—
Other adjustments: (please list)	
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
<b>Net position - Net investment in capital assets</b>	<b>\$ 200,179</b>

#### 7.2 Calculation of net position - Restricted for nonexpendable - endowments

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

See independent auditors' report.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

**Other Information**

June 30, 2018

(for inclusion in the California State University)

**8 Transactions with related entities:**

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,064,092
Payments to University for other than salaries of University personnel	2,041,264
Payments received from University for services, space, and programs	34,589
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)	(843,112)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University (enter as positive number)	10,539
Other amounts receivable from University	—

**9 Other poste employment benefits (OPEB) liability**

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

**10 Pollution remediation liabilities under GASB Statement No. 49:**

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

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

	<u>Net Position Class</u>	<u>Amount</u>
		<u>Dr. (Cr.)</u>
Net position as of June 30, 2017, as previously reported		\$ 1,137,726
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
<b>Net position as of June 30, 2017, as restated</b>		<b>\$ 1,137,726</b>

# CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

## Other Information

June 30, 2018

(for inclusion in the California State University)

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

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

### 12 Natural Classifications of Operating Expenses:

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	298,766	86,493	—	119,531	—	504,790
Research	651,223	121,025	—	589,806	—	1,362,054
Public service	783,964	223,462	—	670,657	—	1,678,083
Academic support	240,074	31,867	—	128,410	—	400,351
Student services	856,715	235,890	—	274,191	—	1,366,796
Institutional support	22,555	3,169	—	824,040	—	849,764
Operation and maintenance of plant	—	—	—	—	—	—
Student grants and scholarships	—	—	2,031,778	—	—	2,031,778
Auxiliary enterprise expenses	—	—	—	—	—	—
Depreciation and amortization	—	—	—	—	39,616	39,616
Total	2,853,297	701,906	2,031,778	2,606,635	39,616	8,233,232

See independent auditors' report.

**INDEPENDENT AUDITORS' 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 Board of Directors  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

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 California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statement of net position as of June 30, 2018, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 AUDITORS' 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 18, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

**Report on Compliance for Each Major Federal Program**

We have audited California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs for the year ended June 30, 2018. California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance.

***Opinion on Each Major Federal Program***

In our opinion, California State University, Bakersfield, Auxiliary for Sponsored Programs Administration complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED**

**Report on Internal Control over Compliance**

Management of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Grant Guidance. Accordingly, this report is not suitable for any other purpose.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
September 18, 2018



**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018**

Federal/Pass-Through Grantor and Program Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures	Expenditures to Subrecipients
<u>Research and Development Cluster:</u>				
<u>U.S. Department of Agriculture</u>				
Direct Program:				
USDA Novel Research	10.310	2016-67032-25008	\$ 78,395	\$ -
Pass-through Research Triangle Institute:				
Assessing Human Health Impacts	10.310	888-17-04-02	3,622	-
			82,017	-
<u>U.S. Department of Defense</u>				
Direct Program:				
Quantitative Forecasting	12.630	W911NF-15-1-0498	154,539	-
Pass-through Desert Research Institute:				
Impacts of Climate & Land Use on Valley Fever	12.999	663.7240.01	55,214	-
			209,753	-
<u>National Aeronautics and Space Administration</u>				
Pass-through AERO Institute in Palmdale, CA:				
Precipitation and Valley Fever	43.008	NND13AB04A	30,775	-
<u>National Science Foundation</u>				
Direct Programs:				
EARS: Collab Res: Overcoming Propagation Challenges	47.041	ECCS-1642567	44,115	-
Collab Res: GP-EXTRA	47.050	Awd No. 1700942	15,771	-
Testing the Fidelity of Nd Isotopes	47.050	1811798	13,513	-
Career 1 Grant	47.074	IOS-1252232	110,990	-
CSUB NSF Crest	47.076	HRD-1137774	649	-
IUSE STEM Retention	47.076	DUE-1430398	211,623	-
CSUB NSF Crest Phase II	47.076	HRD-1547784	898,183	-
Pass-through trustee of Columbia University:				
IOPD Expedition 359	47.050	27(GG009393)	13,231	-
Pass-through UC Berkeley:				
Transforming College Teaching	47.076	9393	29,698	-
			1,337,773	-
<u>U.S. Department of Energy</u>				
Pass-through Electric Power Research Institute:				
California CO2 Storage	81.089	10007216	19,396	-
<u>U.S. Department of Education</u>				
Pass-through CSU Long Beach Research Foundation:				
HSI STEM	84.031	SG1391SUP_B	2,070	-
Total Research and Development Cluster			\$ 1,681,784	\$ -
<u>CCDF Cluster:</u>				
<u>U.S. Department of Health &amp; Human Services</u>				
Pass-through California Department of Education:				
General Child Care and Development Program	93.575/93.596	CCTR-7051	\$ 45,828	\$ -
California State Preschool Program	93.575/93.596	CSPP-7120	26,289	-
Total CCDF Cluster			\$ 72,117	\$ -

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018**

Federal/Pass-Through Grantor and Program Title	Federal CFDA Number	Agency or Pass-Through Grantor No.	Expenditures	Expenditures to Subrecipients
<u>TRIO Cluster:</u>				
<u>U.S. Department of Education</u>				
Direct Program:				
TRIO - Talent Search	84.044	P044A160244	\$ 470,182	\$ -
Total TRIO Cluster			\$ 470,182	\$ -
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
RELO: Research, Experiential and Learning Opportunities	10.223	2016-38422-25544	\$ 47,223	\$ -
Investigate Use of Treated Unconventional Water	10.326	2017-70001-25983	67,117	-
Pass-through California Department of Education:				
Child Nutrition and Food Distribution Division; Child and Adult Care Food Program - Center	10.558	06226-CACFP-15-NP-IC	27,456	-
			141,796	-
<u>U.S. Department of Labor</u>				
Pass-through County of Kern:				
Migrant Book Assistance Program	17.264	1041-2016 GRA0484	167	-
Migrant Books 2017	17.264	493-2017	24,371	-
			24,538	-
<u>National Endowment for the Humanities</u>				
Direct Program:				
Crossing Borders, Making Connections	45.162	AC-234498-16	12,810	-
<u>Small Business Administration</u>				
Pass-through University of California Merced:				
Small Business Development Center 2017	59.037	F300GUA073	128,828	-
Small Business Development Center 2018	59.037	F300GVA06	123,338	-
			252,166	-
<u>U.S. Department of Education</u>				
Direct Programs:				
MSEIP (Minority Science and Engineering Improvement Program)	84.120	P120A140051	169,563	-
HEP-High School Equivalency Program	84.141	S141A150005-16	480,475	-
CAMP Program	84.149	S149A150026-16	473,100	-
Practices to Optimize Special Education	84.325	H325K140418	214,412	-
TQP GRO STEM	84.336	U336S140047	1,497,072	50,000
Pass-through Lamont School District:				
So. Kern Math Partnership	84.366	GRA2434	344	-
Pass-through Regents of UCOP:				
NCLB 13	84.367	NCLB13-CMP-Bakersfield	60	-
NCLB 14	84.367	NCLB14-CMP-Bakersfield	18,909	-
			2,853,935	50,000
<u>U.S. Department of Health &amp; Human Services</u>				
Direct Program:				
CSUB SATP	93.243	1H79TI026006-01	18,570	-
Pass-through Assoc. for Prevention Teaching & Research/CDC:				
Immunization Resources	93.283	17-20-TH30	38,591	-
			57,161	-
Total Expenditures of Federal Awards			\$ 5,566,489	\$ 50,000

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Notes to Schedule of Expenditure of Federal Awards**

Year Ended June 30, 2018

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**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Note 2 – Summary of Significant Accounting Policies**

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2 CFR section 200.414 Indirect costs.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2018

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal control over major program:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No

Type of auditors' report issued on compliance for major programs	Unmodified
---	------------

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR section 200.516(a)?	No
--	----

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.325	Practices to Optimize Special Education
84.336	TQP GRO STEM

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
---	-----------

Auditee qualified as a low-risk auditee under the Uniform Guidance, 2 CFR section 200.520?	Yes
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**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2018

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**Section II – Financial Statement Findings**

None reported.

**Section III – Federal Award Findings and Questioned Costs**

None reported.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS  
ADMINISTRATION**

**Schedule of Prior Year Findings**

Year Ended June 30, 2018

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**Section IV – Schedule of Prior Year Findings**

**Finding 2017-001**

1. *Condition:* For the CCTR program, 4 out of 16 reporting periods were misreported. For the CSPP program, 6 of the 16 reporting periods were misreported. See the chart below for reference.
2. *Status:* There were no similar findings noted for the year ended June 30, 2018. The Organization has implemented controls to ensure proper reporting.

**Finding 2017-002**

1. *Condition:* The schedule of expenditures of federal awards originally excluded a federal grant, clusters were not correctly identified and grouped, and amounts for certain federal expenditures required adjustment.
2. *Status:* There were no similar findings noted for the year ended June 30, 2018. The Organization has implemented controls to ensure proper preparation of the schedule.