

**ASSOCIATED STUDENTS,
INCORPORATED
CALIFORNIA STATE UNIVERSITY,
SAN BERNARDINO**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2009

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
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JUNE 30, 2009

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ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

ORGANIZATION DATA

JUNE 30, 2009

Date of Organization:

Organized on January 25, 1966 as an unincorporated association under the Education Code, State of California, Section 23801. The Association was incorporated in January 1988.

Nature and Purpose:

The Association was formed to provide essential activities closely related to, but not normally included as, a regular part of the University instructional program, such as ticket office, art exhibits, student paper, intramural sports, and civic relations, to strengthen the bond between the faculty, administrators, and the students of the University.

Officers - 2008-2009:

Jeremy Vasquez	President
Tyree Vance	Executive Vice President
Johnathan Billinger	Vice President of Finance
Jessica Madrigal	Vice President of University Affairs
Luisa Stowe	Vice President of Palm Desert Campus

Faculty Advisors:

Helga Kray	ASI Advisor
Dr. Terry Smith	Faculty Representative
Dr. Frank Rincón	President's Representative

Executive Director:

Patrick Areffi

DEBORAH L. CROWLEY, C.P.A.
TODD C. LANDRY, C.P.A.
JOHN F. PRENTICE, C.P.A.



DAVID M. THAYER, C.P.A.
FRANK M. ZABALETA, C.P.A.

*Certified Public Accountants
and
Business Advisors*

INDEPENDENT AUDITORS' REPORT

Board of Directors
Associated Students, Incorporated
California State University, San Bernardino
San Bernardino, California

We have audited the statements of financial position of Associated Students, Incorporated, California State University, San Bernardino as of June 30, 2009 and 2008, and the related statements of activity and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 with specific standards prescribed by the Chancellor's Office and the Department of Finance. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and schedule presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students, Incorporated, California State University, San Bernardino as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 16 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. However, the PERS information on page 29 is required supplementary information for compliance with Governmental Accounting Standards Statement No. 5. The PERS information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it. The other supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 16, 2009

Eadie and Payne, LLP

DEBORAH L. CROWLEY, C.P.A.
TODD C. LANDRY, C.P.A.
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EXECUTIVE SUMMARY

Associated Students, Incorporated
California State University, San Bernardino
San Bernardino, California

We have audited the statement of financial position of Associated Students, Incorporated, California State University, San Bernardino as of June 30, 2009, and the related statements of activity and cash flows for the year then ended. Based on the results of our annual examination, we are providing you with the following Executive Summary.

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

We issued an unqualified opinion dated September 16, 2009. It is our opinion that the financial statements of Associated Students, Incorporated, California State University, San Bernardino (ASI) at June 30, 2009 are in conformity with generally accepted accounting principles and with specific standards prescribed by the Chancellor's Office.

September 16, 2009

Eadie and Payne, LLP

ASSOCIATED STUDENTS, INCORPORATED
 CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 11,157	\$ 15,822
Short-term investments	1,339,053	1,116,429
Receivables	19,122	23,950
Inventory	20,347	45,828
Prepaid expenses	5,500	-
	<u>1,395,179</u>	<u>1,202,029</u>
 EQUIPMENT AND FURNITURE		
Equipment, furniture, and fixtures	52,626	61,174
Less: Accumulated depreciation	<u>33,942</u>	<u>40,925</u>
	<u>18,684</u>	<u>20,249</u>
 TOTAL ASSETS	 <u>\$ 1,413,863</u>	 <u>\$ 1,222,278</u>
LIABILITIES AND NET ASSETS		
 LIABILITIES		
Accounts payable	\$ 18,912	\$ 15,642
Accrued expenses	2,465	8,468
Accrued compensated absences	33,597	26,244
Deferred revenue	69,714	87,028
Other postretirement benefit obligation	<u>310,651</u>	<u>286,873</u>
Total Liabilities	<u>435,339</u>	<u>424,255</u>
 NET ASSETS - Unrestricted		
Undesignated	336,654	243,483
Designated	<u>641,870</u>	<u>554,540</u>
Total Net Assets	<u>978,524</u>	<u>798,023</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,413,863</u>	 <u>\$ 1,222,278</u>

The accompanying notes are an integral part of the financial statements.

ASSOCIATED STUDENTS, INCORPORATED
 CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENTS OF ACTIVITY
 FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
UNRESTRICTED REVENUE AND SUPPORT		
Student fees	\$ 1,157,934	\$ 1,102,218
Investment income	26,747	45,549
Sales and Service of Auxiliary Enterprises		
Ticket sales	329,880	283,695
Other	10,948	14,821
Total Revenue and Support	<u>1,525,509</u>	<u>1,446,283</u>
FUNCTIONAL EXPENSES		
Program services	1,121,738	1,083,153
Management and general	223,270	210,274
Total Expenses	<u>1,345,008</u>	<u>1,293,427</u>
CHANGE IN NET ASSETS before actuarial gains	180,501	152,856
Actuarial gains related to postretirement benefits	<u>-</u>	<u>24,224</u>
CHANGE IN NET ASSETS	180,501	177,080
NET ASSETS, BEGINNING OF YEAR	<u>798,023</u>	<u>620,943</u>
NET ASSETS, END OF YEAR	<u>\$ 978,524</u>	<u>\$ 798,023</u>

The accompanying notes are an integral part of the financial statements.

ASSOCIATED STUDENTS, INCORPORATED
 CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 180,501	\$ 177,080
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Depreciation	6,078	6,035
(Increase) Decrease in Operating Assets		
Receivables	4,828	(15,912)
Inventory	25,481	5,289
Prepaid expenses	(5,500)	-
Increase (Decrease) in Operating Liabilities		
Accounts payable and accrued liabilities	(12,694)	(114,927)
Deferred revenue	23,778	436
Net Cash Provided By Operating Activities	<u>222,472</u>	<u>58,001</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(222,624)	(372,165)
Maturity of investments	-	149,853
Purchase of equipment	(4,513)	(5,594)
Net Cash Provided By (Used In) Investing Activities	<u>(227,137)</u>	<u>(227,906)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,665)	(169,905)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>15,822</u>	<u>185,727</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,157</u>	<u>\$ 15,822</u>

The accompanying notes are an integral part of the financial statements.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. **DESCRIPTION OF ACTIVITIES**

Associated Students, Incorporated, California State University, San Bernardino (ASI) was formed for the purpose of providing to students essential social and recreational activities related to, but not normally included in, the University instructional program. These activities are primarily funded by fees charged to students each quarter. Tickets to local events are offered to students at cost by the ASI box office.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. **Basis of Accounting**

ASI prepares its financial statements on the accrual basis of accounting.

C. **Cash and Cash Equivalents**

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents. All certificates of deposit with a maturity in excess of three months are considered to be investments.

D. **Investments**

ASI has pooled investments with the State of California State Treasurer's Local Agency Investment Fund (LAIF). LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. ASI is a voluntary participant in the investment pool.

ASI relied upon information provided by the State Treasurer in estimating ASI's fair value position of its holdings in LAIF. ASI had a contractual withdrawal value of \$905,475 and \$882,511 as of June 30, 2009 and 2008, respectively, and ASI's prorata share of fair value was estimated by the State Treasurer to be \$906,656 and \$882,467, respectively. LAIF is not subject to a credit quality rating.

NOTES TO FINANCIAL STATEMENTS (Continued)

ASI (through California State University, San Bernardino) also has funds on deposit at a bank that are swept into a Systemwide Investment Fund Trust (SWIFT) on a daily basis. These funds are reported as a short-term investment. The SWIFT consists of investments of cash on an overnight and/or short-term basis, the funds representing the float on funds collected from all eligible sources prior to their use for payment of accounts payable and payroll. Excess cash over and above that needed to fund short-term payables and payroll are transferred to medium- or longer-term investments.

Information about the level of the inputs within the fair value hierarchy used to determine fair values of ASI's investments are not available.

E. Accounts Receivable

Accounts receivable are primarily from student fees. Receivables are recorded when the student registers for courses and are presented in the statement of financial position net of the allowance for doubtful accounts. Accounts receivable are written off when they are deemed to be uncollectible. Any allowance for doubtful accounts is based on historical loss experience. There was no allowance for doubtful accounts as of June 30, 2009.

F. Inventory

Inventory is valued at cost determined on the first-in, first-out basis.

G. Equipment and Furniture

It is the policy of ASI to capitalize equipment, furniture, and fixture additions over \$1,500. Equipment and furniture are stated at cost and depreciation is calculated using the straight-line method over the estimated useful lives.

H. Deferred Revenue

Student fees for the upcoming summer and fall terms collected in advance through June 30, 2009 are deferred and recognized during the terms for which they are assessed.

I. Designated Net Assets

Designated net assets include amounts set aside for emergency, administrative, equipment, and operational reserves as required by the California State University Manual of Policies and Procedures for Auxiliary Organizations.

J. Subsequent Events

Management has evaluated subsequent events through September 16, 2009, the date on which the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS (Continued)

3. EXEMPT STATUS

ASI was incorporated as a nonprofit organization under the laws of California. It has been granted tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3).

4. LEASING ARRANGEMENTS

ASI, as lessee, has a lease agreement with the Student Union for exclusive use of a suite of offices including rooms 108, A through P. The leased space consists of approximately 2,200 square feet. Provisions of the lease agreement include annual payments of \$1 through June 30, 2012. However, ASI has to bear the expense for janitorial/custodial costs. The lease may be terminated by either party giving thirty (30) days written notice to the other party.

ASI, as lessee, also has a lease agreement with the Palm Desert Campus for an office in the Indian Wells Center for Education Excellence Building. Provisions of the lease agreement include annual payments of \$658 through June 30, 2012. The lease may be terminated for a variety of reasons set forth in the agreement or by either party giving written notice to the other party.

Total rent expense inclusive of janitorial/custodial costs for the years ended June 30, 2009 and 2008 was \$6,509 and \$7,094, respectively.

5. RELATED-PARTY TRANSACTIONS

ASI is an auxiliary organization of California State University, San Bernardino (CSUSB). CSUSB advances funds on behalf of ASI, all of which are considered current, and it provides accounting services to ASI. The fee for accounting services for the years ended June 30, 2009 and 2008 were \$59,598 and \$58,000, respectively. In addition, ASI made donations to CSUSB for the Student Emergency Loan program in the amount of \$7,000 and for the Presidential Academic Excellence Scholarship (PAES) in the amount of \$25,000 during the year ended June 30, 2009. Other various donations from ASI to CSUSB totaled \$1,225 during the year ended June 30, 2009.

The CSUSB Foundation provides services for the benefit of ASI's employees. ASI leases its office space from the Student Union as described in Note 4. ASI also co-sponsors events and activities with the Student Union for which ASI reimburses some of the expenses incurred by the Student Union. ASI donated \$26,408 to the Student Union for the expense of television monitors for the year ended June 30, 2008 and \$86,326 to the Children's Center for each of the years ended June 30, 2009 and 2008.

NOTES TO FINANCIAL STATEMENTS (Continued)

Included in the liabilities are the following amounts due to related and affiliated parties at June 30:

	<u>2009</u>	<u>2008</u>
CSUSB	\$ 358	\$ 8,424
Santos Manuel Student Union	<u>3,510</u>	<u>2,111</u>
TOTALS	<u>\$ 3,868</u>	<u>\$ 10,535</u>

6. RETIREE MEDICAL BENEFIT PLAN

ASI has an unfunded Supplemental Retirement Benefit Plan that provides medical benefits to retired employees and their dependants. Medical plan benefits are provided through the California Public Employees' Retirement System (CalPERS), as permitted by the Public Employees' Medical and Hospital Care Act (PEMHCA). ASI currently pays the full medical plan premium for employees and their dependents not to exceed caps based on the level of coverage. Retiring employees age 50 or older with at least 5 years of service are eligible for benefits provided they elect to commence their retirement benefit within 120 days of their retirement date.

Disclosures about the Plan, based on an independent actuarial valuation as of June 30, 2008, are shown on the following pages.

NOTES TO FINANCIAL STATEMENTS (Continued)

	JUNE 30,	
	2009	2008
1. Change in accumulated postretirement benefit obligation (APBO)		
APBO at beginning of year	\$ 286,873	\$ 286,437
Service cost (excluding expenses)	9,335	9,260
Interest cost	17,764	17,814
Actuarial (gain) loss	-	(24,224)
Benefits paid	(3,321)	(2,414)
APBO at end of year	310,651	286,873
2. Change in plan assets		
Fair value of assets at beginning of year	-	
Employer contribution	3,321	2,414
Benefits paid	(3,321)	(2,414)
Fair value of plan assets at end of year	-	
3. Funded status	(310,651)	(286,873)
4. Amounts recognized in the statement of financial position consist of:		
Current liabilities	(6,878)	(5,387)
Noncurrent liabilities	(303,773)	(281,486)
Total	(310,651)	(286,873)
5. Components of net periodic postretirement benefit cost (NPPBC)		
Service cost (including expenses)	9,335	9,260
Interest cost	17,764	17,814
Amortization of unrecognized net (gain) loss	-	-
Net periodic postretirement benefit cost	27,099	27,074
6. Other changes in plan assets and benefit obligations		
Net actuarial (gain) loss	-	(24,224)
Amortization of actuarial (gain) loss	-	-
Total recognized	-	(24,224)
Total recognized in change in net assets	27,099	2,850
7. Accumulated benefit obligation	310,651	286,873

NOTES TO FINANCIAL STATEMENTS (Continued)

The assumptions used in the measurement of ASI's benefit obligation and net periodic post-retirement benefit cost included a 6.25 percent weighted-average discount rate as of and for the year ended June 30, 2008.

Medical plan premiums and CalPERS minimum employer contributions are assumed to increase at rates shown in the following table:

<u>YEAR</u>	<u>RATE</u>	<u>YEAR</u>	<u>RATE</u>	<u>YEAR</u>	<u>RATE</u>
2009	9.50 %	2012	8.00 %	2015	6.50 %
2010	9.00 %	2013	7.50 %	2016	5.50 %
2011	8.50 %	2014	7.00 %	2017 and later	4.50 %

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one percent increase in the assumed healthcare trend rates would have the following effects:

	<u>DOLLARS</u> <u>INCREASE</u>	<u>PERCENT</u> <u>INCREASE</u>
Effect on service cost component of net periodic benefit cost	\$ 2,899	33.00 %
Effect on interest cost component of net periodic benefit cost	2,998	16.75 %
Accumulated post-retirement benefit obligation	47,973	16.72 %

The Plan is funded on a pay-as-you-go basis; the expected contribution for the following year is the same as the expected future benefit payments for such year. ASI paid \$3,321 and \$2,414 during the years ended June 30, 2009 and 2008, respectively, for current benefit costs.

The expected benefits to be paid are as follows:

<u>YEARS ENDING</u> <u>JUNE 30,</u>	<u>AMOUNT</u>
2010	\$ 6,878
2011	8,697
2012	10,703
2013	12,330
2014-2018	73,944

NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED-BENEFIT PENSION PLAN

A. Plan Description

ASI contributes to CalPERS, an agent multiple-employer public employee defined-benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. ASI selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 "P" Street, Sacramento, California 95814.

B. Funding Policy

Participants are required to contribute 5% of their annual covered salary. ASI is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for the fiscal years 2008-2009 and 2007-2008 were 15.018% and 15.083%, respectively. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS.

C. Annual Pension Cost

For the year ended June 30, 2009, ASI's annual pension cost of \$25,675 for CalPERS was equal to ASI's required and actual contributions. The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry-age normal actuarial cost method with contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases that vary by duration of service. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of Plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two- to five-year period depending on the size of investment gains and/or losses. The remaining amortization period at June 30, 2009 was 11 years for the initial unfunded liability.

NOTES TO FINANCIAL STATEMENTS (Continued)

THREE-YEAR TREND INFORMATION FOR CALPERS

<u>FISCAL YEAR</u>	<u>ANNUAL PENSION COST (APC)</u>	<u>PERCENTAGE OF APC CONTRIBUTED</u>	<u>NET PENSION OBLIGATION</u>
6-30-2007	\$ 17,678	100	-
6-30-2008	25,675	100	-
6-30-2009	24,864	100	-

8. NEW ACCOUNTING PRONOUNCEMENT

The Financial Accounting Standards Board's (FASB) Financial Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, creates a new framework for how companies should recognize, measure, present, and disclose uncertain tax positions in their financial statements. Under FIN 48, a company may recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. FIN 48 also provides guidance on the reversal of previously recognized tax positions, balance sheet classifications, accounting for interest and penalties associated with tax positions, and income tax disclosures.

As provided in FASB Staff Position 48-3, ASI has elected to defer the application of FIN 48 one additional year until ASI's fiscal year ending June 30, 2010.

Upon adoption of FIN 48, ASI's cumulative effect of this change in accounting principle may result in an increase or decrease to net assets.

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF NET ASSETS
JUNE 30, 2009
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Assets:

Current assets:

Cash and cash equivalents	\$ 11,157
Short-term investments	1,339,053
Accounts receivable, net	19,122
Leases receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	25,847
Total current assets	<u>1,395,179</u>

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases 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	18,684
Other assets	-
Total noncurrent assets	<u>18,684</u>
Total assets	<u>1,413,863</u>

Liabilities:

Current liabilities:

Accounts payable	19,570
Accrued salaries and benefits payable	1,807
Accrued compensated absences - current portion	33,597
Deferred revenue	69,714
Capitalized lease obligations - current portion	-
Long-term debt obligations - current portion	-
Self-insurance claims liability - current portion	-
Other liabilities	-
Total current liabilities	<u>124,688</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
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SCHEDULE OF NET ASSETS (Continued)

Noncurrent liabilities (continued):	
Deferred revenue	-
Grants refundable	-
Capitalized lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Self-insurance claims liabilities, net of current portion	-
Depository accounts	-
Other postemployment benefits obligation	\$ 310,651
Other liabilities	-
Total noncurrent liabilities	<u>310,651</u>
Total liabilities	<u>435,339</u>
Net assets:	
Invested in capital assets, net of related debt	18,684
Restricted for:	
Nonexpendable - endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	<u>959,840</u>
Total net assets	<u>\$ 978,524</u>

ASSOCIATED STUDENTS, INCORPORATED
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Revenues:

Operating revenues:

Student tuition and fees (net of scholarship allowances of \$_____)	\$ 1,157,934
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of educational activities	-
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	329,880
Other operating revenues	<u>10,948</u>
Total operating revenues	<u>1,498,762</u>

Expenses:

Operating expenses:

Instruction	-
Research	-
Public service	-
Academic support	-
Student services	889,097
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	110,750
Auxiliary enterprise expenses	339,083
Depreciation and amortization	<u>6,078</u>
Total operating expenses	<u>1,345,008</u>
Operating income (loss)	<u>153,754</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	-
Gifts, noncapital	-
Investment income (loss), net	26,747
Endowment income	-
Interest Expenses	-
Other nonoperating revenues (expenses)	<u>-</u>
Net nonoperating revenues (expenses)	<u>26,747</u>
Income (loss) before other additions	180,501

State appropriations, capital

Grants and gifts, capital

Additions (reductions) to permanent endowments

Increase (decrease) in net assets	<u>180,501</u>
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Net assets:

Net assets at beginning of year, as previously reported	798,023
Restatements	<u>-</u>
Net assets at beginning of year, as restated	<u>798,023</u>
Net assets at end of year	<u>\$ 978,524</u>

ASSOCIATED STUDENTS, INCORPORATED
 CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

OTHER INFORMATION

JUNE 30, 2009

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

1 Restricted cash and cash equivalents at June 30, 2009:

Portion of restricted cash and cash equivalents related to endowments	-
All other restricted cash and cash equivalents	-
Total restricted cash and cash equivalents	<u>\$ -</u>

2.1 Composition of investments at June 30, 2009:

	<u>Current Unrestricted</u>	<u>Current Restricted</u>	<u>Total Current</u>	<u>Noncurrent Unrestricted</u>	<u>Noncurrent Restricted</u>	<u>Total Noncurrent</u>	<u>Total</u>
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	\$ 905,475	-	\$ 905,475	-	-	-	\$ 905,475
Wachovia Short-Term Fund	-	-	-	-	-	-	-
Wachovia Medium-Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	433,578	-	433,578	-	-	-	433,578
Common Fund - Short-Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total investments	<u>1,339,053</u>	<u>-</u>	<u>1,339,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,339,053</u>
Less endowment investments (enter as negative number)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 1,339,053</u>	<u>\$ -</u>	<u>\$ 1,339,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,339,053</u>

OTHER INFORMATION (Continued)

2.2 - Investments held by the University under contractual agreements at June 30, 2009 :

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2009 :

2.3 - Restricted current investments at June 30, 2009 related to:

- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description

Amount

\$ -
-
-
-
-
-
-
-
-
-
-

Total restricted current investments at June 30, 2009

\$ -

2.4 - Restricted noncurrent investments at June 30, 2009 related to:

- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description
- Add description

Amount

\$ -
-
-
-
-
-
-
-
-
-
-

Total restricted noncurrent investments at June 30, 2009

\$ -

OTHER INFORMATION (Continued)

3.1 Composition of capital assets at June 30, 2009:

	Balance June 30, 2008	Prior-period Adjustments	Reclassi- fications	Balance June 30, 2008 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2009
Nondepreciable capital assets:								
Land and land improvements	-	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Total nondepreciable capital assets	-	-	-	-	-	-	-	-
Depreciable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	\$ 61,174	-	-	\$ 61,174	\$ 4,513	\$ (13,061)	-	\$ 52,626
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	61,174	-	-	61,174	4,513	(13,061)	-	52,626
Total capital assets	61,174	-	-	61,174	4,513	(13,061)	-	52,626
Less accumulated depreciation:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	(40,925)	-	-	(40,925)	(6,078)	13,061	-	(33,942)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	(40,925)	-	-	(40,925)	(6,078)	13,061	-	(33,942)
Total capital assets, net	\$ 20,249	-	-	\$ 20,249	\$ (1,565)	\$ -	-	\$ 18,684

3.2 - Detail of depreciation and amortization expense for the year ended June 30, 2009:

Depreciation and amortization expense related to capital assets	\$ 6,078
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 6,078

OTHER INFORMATION (Continued)

4 Long-term liabilities activity schedule:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Prior-period</u> <u>adjustments</u>	<u>Reclassi-</u> <u>fications</u>	<u>Balance</u> <u>June 30, 2008</u> <u>(restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Current</u> <u>portion</u>	<u>Long-term</u> <u>portion</u>
Accrued compensated absences	\$ 26,244	-	-	\$ 26,244	\$ 11,970	\$ (4,617)	\$ 33,597	\$ 33,597	-
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-
Unamortized premium/(discount) on capitalized lease obligations	-	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-	-
Long-term debt obligations:									
Revenue Bonds	-	-	-	-	-	-	-	-	-
Other bonds (non-Revenue Bonds)	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	-	-	-	-
Other:									
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Description	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-
Unamortized bond premium/(discount)	-	-	-	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-
Total long-term debt obligations, net	-	-	-	-	-	-	-	-	-
Total long-term liabilities	<u>\$ 26,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,244</u>	<u>\$ 11,970</u>	<u>\$ (4,617)</u>	<u>\$ 33,597</u>	<u>\$ 33,597</u>	<u>\$ -</u>

OTHER INFORMATION (Continued)

5 Future minimum lease payments - capital lease obligations:

	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
Year ending June 30:			
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015 - 2019	-	-	-
2020 - 2024	-	-	-
2025 - 2029	-	-	-
2030 - 2034	-	-	-
2035 - 2039	-	-	-
2040 - 2044	-	-	-
2045 - 2049	-	-	-
2050 - 2054	-	-	-
2055 - 2059	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total minimum lease payments			-
Less amounts representing interest			<u>-</u>
Present value of future minimum lease payments			-
Less: current portion			<u>-</u>
Capitalized lease obligation, net of current portion			<u><u>\$ -</u></u>

OTHER INFORMATION (Continued)

6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
	Year ending June 30:								
2010	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015 - 2019	-	-	-	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION (Continued)

7 Calculation of net assets

7.1 Calculation of net assets - Invested in capital assets, net of related debt

	<u>Auxiliary</u> <u>Organizations</u>		<u>Total</u> <u>Auxiliaries</u>
	<u>GASB</u>	<u>FASB</u>	
Capital assets, net of accumulated depreciation	-	\$ 18,684	\$ 18,684
Capitalized lease obligations - current portion	-	-	-
Capitalized 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	-	-	-
Other:			
(description)	-	-	-
(description)	-	-	-
(description)	-	-	-
(description)	-	-	-
(description)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net assets - invested in capital assets, net of related debt	<u>\$ -</u>	<u>\$ 18,684</u>	<u>\$ 18,684</u>

7.2 Calculation of net assets - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	-	-	-
Endowment investments	-	-	-
Other adjustments: (please list)	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net assets - Restricted for nonexpendable - endowments per SNA	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION (Continued)

8 Transactions with Related Entities

	<u>Amount</u>
Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs	\$ 59,598
Reimbursements to University for other than salaries of University personnel	-
Payments received from University for services, space, and programs	-
Gifts-in-kind to the University from Auxiliary Organizations	-
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	33,225
Accounts (payable to) University (enter as negative number)	(358)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University	-
Other amounts receivable from University	-

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 27,099
Contributions during the year	<u>(3,321)</u>
Increase (decrease) in net OPEB obligation (NOO)	23,778
NOO - beginning of year	<u>286,873</u>
NOO - end of year	<u>\$ 310,651</u>

ASSOCIATED STUDENTS, INCORPORATED
 CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2009

	PROGRAM SERVICES					
	MANAGEMENT AND GENERAL	STUDENT GOVERNMENT	EXTERNAL AFFAIRS	ASI BOX OFFICE	LEGAL AID	GRANT AND SERVICE PROGRAM
Wages	\$ 82,802	\$168,113				
Employee benefits	34,334	52,202				
Payroll taxes	5,191	10,540				
Total Wages and Related Expenses	<u>122,327</u>	<u>230,855</u>				
Utilities and telephone	3,191	6,479				
Travel		3,709	\$ 5,169			\$ 70,000
Grants and programs						15,000
Scholarship/stipends						110,750
Supplies and services	6,256	7,553	2,201	\$ 171	\$ 1,385	
Building and equipment repairs	403	817				
Postage		1,590				
Accounting	59,598					
Audit	21,800					
AOA dues		355	-			
Hospitality	520					
AS transition		9,099				
Orientation		26,323				
Insurance		16,824				
Advertising						
Legal consultant	660	1,340			7,412	
Prizes						
Depreciation	2,006	4,072				
Rent	659					
Student Union custodian	5,850					
Box Office tickets				338,912		
Graduation reception						
Donations						117,567
Special events						
Speaker series						
TOTAL EXPENSES	<u>\$223,270</u>	<u>\$309,016</u>	<u>\$ 7,370</u>	<u>\$339,083</u>	<u>\$ 8,797</u>	<u>\$313,317</u>

PUBLIC RELATIONS	CLUB ALLOCATION BUDGET	ACTIVITIES BOARD	LEADERSHIP PROGRAM	LEADERSHIP PROGRAM COMMITTEES	PALM DESERT CAMPUS	TOTAL PROJECT SERVICES	TOTAL EXPENSES	
							2009	2008
						\$ 168,113	\$ 250,915	\$ 235,496
						52,202	86,536	80,601
						10,540	15,731	12,700
						230,855	353,182	328,797
						6,479	9,670	11,862
					\$ 2,563	81,441	81,441	27,831
						15,000	15,000	92,428
						110,750	110,750	97,850
\$ 3,759	\$36,445	\$ 252	\$ 141	\$ 360	501	52,768	59,024	65,946
						817	1,220	2,209
						1,590	1,590	1,891
						-	59,598	58,000
						-	21,800	13,939
						355	355	10,242
					729	729	1,249	1,904
						9,099	9,099	7,926
						26,323	26,323	25,143
						16,824	16,824	15,722
29,749					4,031	33,780	33,780	23,415
						8,752	9,412	9,346
305						305	305	11,852
						4,072	6,078	6,034
						-	659	659
						-	5,850	6,435
						338,912	338,912	277,885
					4,570	4,570	4,570	5,588
						117,567	117,567	122,213
		47,774	2,418		680	50,872	50,872	62,637
		9,878				9,878	9,878	5,673
<u>\$33,813</u>	<u>\$36,445</u>	<u>\$57,904</u>	<u>\$ 2,559</u>	<u>\$ 360</u>	<u>\$ 13,074</u>	<u>\$1,121,738</u>	<u>\$1,345,008</u>	<u>\$1,293,427</u>

ASSOCIATED STUDENTS, INCORPORATED
 CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
 PERS REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2009

	(A)	(B)	(C)	(D)	(E)	(F)
		ENTRY AGE	UNFUNDED	FUNDED	COVERED	UNFUNDED
ACTUARIAL	ACTUARIAL	ACTUARIAL	ACTUARIAL	RATIO	PAYROLL	ACTUARIAL
VALUATION	ASSET	ACCRUED	ACCRUED	(A)/(B)		LIABILITY AS
DATE	VALUE	LIABILITY	LIABILITY			PERCENTAGE OF
			(B)-(A)			COVERED
						PAYROLL
						(C)/(E)
6-30-2005	\$ 459,996,995	\$ 484,351,523	\$ 24,354,528	95%	\$ 174,127,476	14%
6-30-2006	454,602,459	478,122,215	23,519,756	95%	170,458,082	14%
6-30-2007	479,520,670	498,934,859	19,414,189	96%	171,052,819	11%

Information shown here is for a cost-sharing multiple-employer defined benefit plan.