

Financial Statements

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

Report on Audit

For the Year Ended June 30, 2012

Associated Students, Incorporated
California State University, San Bernardino

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Associated Students, Incorporated
California State University, San Bernardino

Organization Data
June 30, 2012

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 - 2011-2012:

Aaron Jimenez President
Marlena Villar Executive Vice President
Jeffery Chittenden. Vice President of Finance
Byanet Hermasillo Vice President of University Affairs
Christyann Anderson. Vice President of Palm Desert Campus

Faculty Advisors:

Helga Kray ASI Advisor
Tiffany Jones Ph.D Faculty Representative
Dr. Frank Rincon President's Representative

Executive Director:

Patrick Areffi



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CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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

Independent Auditor's Report

We have audited the accompanying statement of financial position of Associated Students Incorporated, California State University, San Bernardino (a nonprofit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Associated Students Incorporated 2011 financial statements and, in our report dated September 26, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 16 through 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rogers, Anderson, Malady + Scott, LLP

September 26, 2012

Associated Students, Incorporated
California State University, San Bernardino

Statements of Financial Position
June 30, 2012

	Assets	
	2012	Comparative Totals 2011
<u>ASSETS</u>		
Cash and cash equivalents	\$ 35,263	\$ 22,760
Short-term investments	1,456,486	1,428,371
Accounts receivable	452,558	340,354
Inventory	32,704	29,969
Prepaid expenses	-	9,952
	<u>1,977,011</u>	<u>1,831,406</u>
 <u>EQUIPMENT AND FURNITURE</u>		
Equipment, furniture, and fixtures	15,102	53,953
Less: Accumulated depreciation	<u>15,102</u>	<u>41,069</u>
	-	12,884
 Total assets	<u>\$ 1,977,011</u>	<u>\$ 1,844,290</u>
 Liabilities and Net Assets		
<u>LIABILITIES</u>		
Accounts payable	\$ 11,764	\$ 26,414
Accrued expenses	1,470	2,803
Accrued compensated absences	30,178	28,326
Deferred revenue	511,296	389,183
Other postretirement benefit obligation	<u>25,858</u>	<u>145,732</u>
 Total liabilities	<u>580,566</u>	<u>592,458</u>
 <u>NET ASSETS - Unrestricted</u>		
Undesignated	953,124	808,511
Designated	<u>443,321</u>	<u>443,321</u>
 Total net assets	<u>1,396,445</u>	<u>1,251,832</u>
 Total liabilities and net assets	<u>\$ 1,977,011</u>	<u>\$ 1,844,290</u>

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

Associated Students, Incorporated
California State University, San Bernardino

Statements of Activities
For the Year Ended June 30, 2012

	2012	Comparative Totals 2011
UNRESTRICTED REVENUE AND SUPPORT		
Student fees	\$ 1,163,181	\$ 1,099,548
Investment income	9,508	6,184
Sales and service of auxiliary enterprises		
Ticket sales	235,670	151,926
Other	14,119	11,809
	<u>1,422,478</u>	<u>1,269,467</u>
Total revenue and support		
<u>EXPENSES</u>		
Program services	631,433	571,438
Management and general	646,432	537,681
	<u>1,277,865</u>	<u>1,109,119</u>
Total expenses		
CHANGE IN NET ASSETS	144,613	160,348
NET ASSETS - beginning of year	<u>1,251,832</u>	<u>1,091,484</u>
NET ASSETS - end of year	<u>\$ 1,396,445</u>	<u>\$ 1,251,832</u>

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

Associated Students, Incorporated
California State University, San Bernardino

Statements of Cash Flows
For the Year Ended June 30, 2012

	<u>2012</u>	<u>Comparative Totals 2011</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 144,613	\$ 160,348
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	12,884	7,582
(Increase) decrease in operating assets		
Accounts receivable	(112,204)	(32,883)
Inventory	(2,735)	(5,201)
Prepaid expenses	9,952	(5,384)
Increase (decrease) in operating liabilities		
Accounts payable and accrued liabilities	(14,131)	3,407
Deferred revenue	122,113	30,932
Other postretirement benefit obligation	(119,874)	(190,091)
Net cash provided by (used for) operating activities	<u>40,618</u>	<u>(31,290)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment	<u>-</u>	<u>(6,715)</u>
Net cash used for investing activities	<u>-</u>	<u>(6,715)</u>
Net increase (decrease) in cash and cash equivalents	40,618	(38,005)
Cash and cash equivalents, beginning of year	<u>1,451,131</u>	<u>1,489,136</u>
Cash and cash equivalents, end of year	<u>\$ 1,491,749</u>	<u>\$ 1,451,131</u>
<u>RECONCILIATION OF CASH TO THE STATEMENT OF FINANCIAL POSITION</u>		
Current assets		
Cash and cash equivalents	\$ 35,263	\$ 22,760
Short-term investments	<u>1,456,486</u>	<u>1,428,371</u>
Total	<u>\$ 1,491,749</u>	<u>\$ 1,451,131</u>

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

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 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.

Note 2: Summary of Significant Accounting Policies

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.

Basis of Accounting

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

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.

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.

Investments are stated at fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale), in accordance with GASB 31. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 2: Summary of Significant Accounting Policies (continued)

Investments (continued)

Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes totaling \$800 million and asset-backed securities totaling \$1,297 million, which represents 2.75% and 0.72% of the total LAIF portfolio of \$60.5 billion as of June 30, 2012. LAIF's (and ASI's) exposure to risk (credit, market or legal) is not currently available.

ASI relies upon information provided by the State Treasurer in estimating the fair value position of its holdings in LAIF. ASI's holdings in LAIF had a value of \$921,942 as of June 30, 2012. LAIF is not subject to a credit quality rating.

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 what is needed to fund short-term payables and payroll are transferred to medium- or longer term investments.

Financial Instruments

The carrying amount of all financial instruments approximates fair value. The carrying amounts for cash and cash equivalents, investments, accounts receivable and accounts payable approximate fair value because of the short maturity of these instruments.

Accounts Receivable

Accounts receivable are primarily from student fees. Receivables are recorded when a 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, 2012.

Inventory

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

Equipment and Furniture

It is the policy of ASI to capitalize equipment, furniture, and fixture additions over \$5,000. Equipment and furniture are stated at cost and depreciation is calculated using the straight-line method over the estimated useful lives.

Notes to Financial Statements
June 30, 2012

Note 2: Summary of Significant Accounting Policies (continued)

Deferred Revenue

Student fees for the upcoming summer and fall terms collected in advance through June 30, 2012 are deferred and recognized during the terms for which they are assessed.

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.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Directly identifiable expenses are charged to relevant programs and supporting services. Indirect expenses are allocated to the programs on various bases established by management.

Fair Value Measurements

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization's own data.)

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 2: Summary of Significant Accounting Policies (continued)

Fair Value Measurements (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Subsequent Events

Management has evaluated subsequent events through September 26, 2012, the date on which the financial statements were available to be issued.

Note 3: Cash and Investments

The fair market value of investments reported on the statement of financial position consists of the following:

<u>Type</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Money market mutual funds	\$ 1,222	\$ 1,222
Repurchase agreements	2,715	2,715
Certificates of deposit	30,596	30,596
Commercial paper	2,592	2,592
US treasury	73,797	73,797
US agencies	145,095	145,095
Fixed income securities	122,547	122,547
Municipal securities	3,300	3,300
Mortgage backed securities	1,367	1,367
SAIF	151,313	151,313
LAIF	921,942	921,942
	<u>\$ 1,456,486</u>	<u>\$ 1,456,486</u>

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 4: Exempt Status

Income Tax Status

The Organization is exempt from federal income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. A comparable exemption has been granted by the State of California.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, ASI may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of ASI and various positions related to the potential sources of unrelated business income tax (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ending June 30, 2012.

ASI's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2008, 2009, 2010 and 2011 are subject to examination by the IRS, generally for 3 years after they were filed.

Note 5: 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 year ended June 30, 2012 was \$7,678.

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 6: 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. Also, 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 5. ASI also co-sponsors events and activities with the Student Union for which ASI reimburses some of the expenses incurred by the Student Union. Amounts paid or accrued for these services amounted to \$108,150 for the year ended June 30, 2012. Amounts due to related parties for these services as of June 30, 2012 were \$11,762. Amounts received for services amounted to \$5,714 for the year ended June 30, 2012.

Note 7: Other Post Employment Benefits

ASI has a fully funded Supplemental Retirement Benefit Plan that provides medical benefits to retired employees and their dependents. 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, 2011, are shown on the following pages.

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 7: Other Post Employment Benefits (continued)

	<u>June 30, 2012</u>
1. Change in accumulated postretirement benefit obligation (APBO)	
APBO at beginning of year	\$ 383,904
Service cost (excluding expenses)	13,700
Interest cost	20,003
Actuarial (gain) loss	74,162
Benefits paid	<u>(3,361)</u>
APBO at end of year	<u>488,408</u>
2. Change in plan assets	
Fair value of assets at beginning of year	238,172
Actual return on assets (net of expenses)	(5,622)
Employer contribution	233,361
Benefits paid	<u>(3,361)</u>
Fair value of plan assets at end of year	<u>462,550</u>
3. Funded status	<u>\$ 25,858</u>
4. Amounts recognized in the statement of financial position consist of:	
Current liabilities	\$ -
Noncurrent liabilities	25,858
Total	<u>\$ 25,858</u>
5. Components of net periodic postretirement benefit cost (NPPBC)	
Service cost (including expenses)	\$ 13,700
Interest cost	20,003
Expected return on plan assets	(17,636)
Amortization of unrecognized net (gain) loss	-
Net periodic postretirement benefit cost	<u>16,067</u>
6. Other changes in plan assets and benefit obligations	
Net actuarial (gain) loss	74,162
Amortization of actuarial (gain) loss	-
Total recognized	<u>74,162</u>
Total recognized in change in net assets	<u>\$ 90,229</u>
7. Accumulated benefit obligation	<u>\$ 488,408</u>

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 7: Other Post Employment Benefits (continued)

The assumptions used in the measurement of ASI's benefit obligation and net periodic post-retirement benefit cost included a 5.25 and 4.25 percent weighted-average discount rate as of and for the year ended June 30, 2011 and 2012, respectively.

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

Year	Rate	Year	Rate	Year	Rate
2012	9.00%	2015	7.50%	2018	5.50%
2013	8.50%	2016	7.00%	2019 and later	4.50%
2014	8.00%	2017	6.50%		

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

	Dollar Increase	Percent Increase
Effect on service cost component of net periodic benefit cost	\$ 5,933	33.28%
Effect on interest cost component of net periodic benefit cost	4,233	21.00%
Accumulated post-retirement benefit obligation	99,598	20.39%

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 \$3,361 during the year ended June 30, 2012, for current benefit costs.

The expected benefits to be paid are as follows:

Years Ending June 30,	Amount
2012	\$ 7,750
2013	9,815
2014	11,329
2015	13,192
2016	15,493
2018-2021	110,498

Associated Students, Incorporated
California State University, San Bernardino

Notes to Financial Statements
June 30, 2012

Note 8: Defined-Benefit Pension Plan

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.

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 2011-2012 were 14.581%. 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.

Annual Pension Cost

For the year ended June 30, 2012, ASI's annual pension cost of \$24,499 for CalPERS was equal to ASI's required and actual contributions. The required contribution was determined as part of the June 30, 2009 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 3.55%. 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, 2012 was 9 years for the initial unfunded liability.

Associated Students, Incorporated
Schedule of Net Assets
June 30, 2012
(for inclusion in the California State University)

Assets:

Current assets:	
Cash and cash equivalents	\$ 35,263
Short-term investments	1,456,486
Accounts receivable, net	452,558
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	32,704
Total current assets	1,977,011
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	—
Other assets	—
Total noncurrent assets	—
Total assets	1,977,011

Liabilities:

Current liabilities:	
Accounts payable	11,764
Accrued salaries and benefits payable	2,209
Accrued compensated absences— current portion	29,439
Deferred revenue	511,296
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Self-insurance claims liability - current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	554,708
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
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	25,858
Other liabilities	—
Total noncurrent liabilities	25,858
Total liabilities	580,566

Net assets:

Invested in capital assets, net of related debt	—
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	—
Unrestricted	1,396,445
Total net assets	\$ 1,396,445

See accompanying independent auditor's report.

Associated Students, Incorporated
Schedule of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2012
(for inclusion in the California State University)

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$ _____)	\$	1,163,181
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 \$ _____)		235,670
Other operating revenues		14,119
Total operating revenues		<u>1,412,970</u>

Expenses:

Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		1,174,823
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		67,107
Auxiliary enterprise expenses		23,051
Depreciation and amortization		12,884
Total operating expenses		<u>1,277,865</u>
Operating income (loss)		<u>135,105</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		9,508
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		—
Net nonoperating revenues (expenses)		<u>9,508</u>
Income (loss) before other additions		144,613

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net assets		<u>144,613</u>

Net assets:

Net assets at beginning of year, as previously reported		1,251,832
Restatements		—
Net assets at beginning of year, as restated		<u>1,251,832</u>
Net assets at end of year	\$	<u><u>1,396,445</u></u>

See accompanying independent auditor's report.

Associated Students, Incorporated
 Other Information
 June 30, 2012
 (for inclusion in the California State University)

1	Restricted cash and cash equivalents at June 30, 2012:	
	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, 2012:

	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)	921,942	-	921,942	-	-	-	921,942
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
US Bank SWIFT pool	534,544	-	534,544	-	-	-	534,544
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	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:							
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Private pass-through	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	<u>1,456,486</u>	<u>-</u>	<u>1,456,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456,486</u>
Less endowment investments (enter as negative number)							
Total investments	<u>\$ 1,456,486</u>	<u>-</u>	<u>1,456,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456,486</u>

2.2 Investments held by the University under contractual agreements at June 30, 2012:

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2012 :	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---

2.3 Restricted current investments at June 30, 2012 related to:

	Amount
Add description	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted current investments at June 30, 2012	<u>\$ -</u>

2.4 Restricted noncurrent investments at June 30, 2012 related to:

	Amount
Endowment investment	\$ -
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Add description	-
Total restricted noncurrent investments at June 30, 2012	<u>\$ -</u>

See accompanying independent auditor's report.

Associated Students, Incorporated
Other Information
June 30, 2012
(for inclusion in the California State University)

3.1 Composition of capital assets at June 30, 2012:

	Balance June 30, 2011	Prior period Adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2012
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:	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-
Equipment	53,952	-	-	53,952	-	(38,850)	-	15,102
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	53,952	-	-	53,952	-	(38,850)	-	15,102
Total capital assets	53,952	-	-	53,952	-	(38,850)	-	15,102
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:	-	-	-	-	-	-	-	-
Equipment	(41,068)	-	-	(41,068)	-	25,966	-	(15,102)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(41,068)	-	-	(41,068)	-	25,966	-	(15,102)
Total capital assets, net	\$ 12,884	-	-	12,884	-	(12,884)	-	-

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2012:

Depreciation and amortization expense related to capital assets	\$ 12,884
Amortization expense related to other assets	-
Total depreciation and amortization	\$ 12,884

See accompanying independent auditor's report.

Associated Students, Incorporated
Other Information
June 30, 2012
(for inclusion in the California State University)

4 Long-term liabilities activity schedule:

	Balance June 30, 2011	Prior period adjustments	Reclassifications	Balance June 30, 2011 (restated)	Additions	Reductions	Balance June 30, 2012	Current portion	Long-term portion
Accrued compensated absences	\$ 28,326	—	—	28,326	13,506	(12,393)	29,439	29,439	—
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:									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Unamortized loss on refunding	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 28,326	—	—	28,326	13,506	(12,393)	29,439	29,439	—

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2013	-	-	—
2014	-	-	—
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018 - 2022	-	-	—
2023 - 2027	-	-	—
2028 - 2032	-	-	—
2033 - 2037	-	-	—
2038 - 2042	-	-	—
2043 - 2047	-	-	—
2048 - 2052	-	-	—
2053 - 2057	-	-	—
2058 - 2062	-	-	—
Total minimum lease payments			—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
Capitalized lease obligation, net of current portion			\$ —

See accompanying independent auditor's report.

Associated Students, Incorporated
Other Information
June 30, 2012
(for inclusion in the California State University)

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:									
2013	\$ -	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018 - 2022	-	-	-	-	-	-	-	-	-
2023 - 2027	-	-	-	-	-	-	-	-	-
2028 - 2032	-	-	-	-	-	-	-	-	-
2033 - 2037	-	-	-	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-	-	-	-
2053 - 2057	-	-	-	-	-	-	-	-	-
2058 - 2062	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

7 Calculation of net assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net assets - Invested in capital assets, net of related debt			
Capital assets, net of accumulated depreciation	\$ ---	---	---
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 adjustments: (please list)			
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Net assets - invested in capital assets, net of related debt	\$ ---	---	---
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)			
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Add description	---	---	---
Net assets - Restricted for nonexpendable - endowments per SNA	\$ ---	---	---

Associated Students, Incorporated
Other Information
June 30, 2012
(for inclusion in the California State University)

8 Transactions with Related Entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 60,900
Payments to University for other than salaries of University personnel	23,293
Payments received from University for services, space, and programs	5,714
Gifts-in-kind to the University from Auxiliary Organizations	—
Gifts (cash or assets) to the University from recognized Auxiliary Organizations	—
Accounts (payable to) University (enter as negative number)	11,762
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)	\$ (343,722)
Contributions during the year	<u>223,848</u>
Increase (decrease) in net OPEB obligation (NOO)	(119,874)
NOO - beginning of year	145,732
NOO - end of year	<u>\$ 25,858</u>

10 Pollution remediation liabilities under GASB Statement No. 49:

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

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

	Net Asset	Amount
	Class	Dr. (Cr.)
Net assets as of June 30, 2011, as previously reported		\$ 1,251,832
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)		—
Net assets as of June 30, 2011, as restated		<u>\$ 1,251,832</u>

Associated Students, Incorporated
 Other Information
 June 30, 2012
 (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 asset class: 1 (breakdown of adjusting journal entry)	\$ —	—
Net asset class: 2 (breakdown of adjusting journal entry)	—	—
Net asset class: 3 (breakdown of adjusting journal entry)	—	—
Net asset class: 4 (breakdown of adjusting journal entry)	—	—
Net asset class: 5 (breakdown of adjusting journal entry)	—	—
Net asset class: 6 (breakdown of adjusting journal entry)	—	—
Net asset class: 7 (breakdown of adjusting journal entry)	—	—
Net asset class: 8 (breakdown of adjusting journal entry)	—	—
Net asset class: 9 (breakdown of adjusting journal entry)	—	—
Net asset class: 10 (breakdown of adjusting journal entry)	—	—

Associated Students, Incorporated
California State University, San Bernardino

Statement of Functional Expenses
For the Year Ended June 30, 2012

	Management and General	Student Government	External Affairs	ASI Box Office	Legal Aid	Grant and Service Program
Wages	\$ 288,879	\$ -	\$ -	\$ -	\$ -	\$ -
Employee benefits	181,704	-	-	-	-	-
Payroll taxes	13,839	-	-	-	-	-
Total Wages and Related Expenses	484,422	-	-	-	-	-
Accounting	63,013	-	-	-	-	-
Advertising	-	-	-	-	-	-
AOA dues	500	-	9,840	-	-	-
AS transition	3,568	-	-	-	-	-
Audit	15,750	-	-	-	-	-
Bad debt	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Box office tickets	-	-	-	230,051	-	-
Building equipment and repairs	6,333	-	-	-	-	-
Depreciation	12,884	-	-	-	-	-
Donations	-	-	-	-	-	204,441
Graduation reception	-	-	-	-	-	-
Grants and programs	-	-	-	-	-	-
Hospitality	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Legal	3,643	-	-	-	7,800	-
Orientation	16,387	-	-	-	-	-
Postage	487	-	-	-	-	-
Prizes	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Scholarships and stipends	-	13,907	-	-	-	40,000
Speaker series	-	-	-	-	-	-
Special events	-	-	-	-	-	-
Student Union custodian	7,020	-	-	-	-	-
Supplies and services	10,870	-	-	74	87	-
Training	-	-	-	-	-	-
Travel	12,815	-	7,109	-	-	-
Utilities and telephone	8,740	-	-	-	-	-
	<u>\$ 646,432</u>	<u>\$ 13,907</u>	<u>\$ 16,949</u>	<u>\$ 230,125</u>	<u>\$ 7,887</u>	<u>\$ 244,441</u>

See accompanying in

Program Services							Total Expenses	
Public Relations	Club Allocation Budget	Activities Committee	Leadership Program	Election Committee	Palm Desert Campus	Total Program Services	2012	2011
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	288,879	233,888
-	-	-	-	-	-	-	181,704	118,643
-	-	-	-	-	-	-	13,839	13,641
-	-	-	-	-	-	-	484,422	366,172
-	-	-	-	-	-	-	63,013	61,900
30,740	-	-	-	-	2,332	33,072	33,072	22,769
-	-	-	-	-	-	9,840	10,340	11,155
-	-	-	-	-	-	-	3,568	679
-	-	-	-	-	-	-	15,750	10,750
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	50
-	-	-	-	-	-	230,051	230,051	158,547
-	-	-	-	-	-	-	6,333	3,192
-	-	-	-	-	-	-	12,884	7,582
-	-	-	-	-	-	204,441	204,441	130,125
-	-	-	-	-	4,172	4,172	4,172	3,923
-	-	-	-	-	-	-	-	-
-	-	-	-	-	172	172	172	235
-	-	-	-	-	-	-	-	21,444
-	-	-	-	-	-	7,800	11,443	17,367
-	-	-	-	-	-	-	16,387	15,520
-	-	-	-	-	-	-	487	1,512
-	-	-	-	-	-	-	-	-
-	-	-	-	-	658	658	658	661
-	-	-	-	-	13,200	67,107	67,107	114,913
-	-	138	-	-	-	138	138	1,703
-	-	20,890	8,903	-	-	29,793	29,793	54,395
-	-	-	-	-	-	-	7,020	7,020
3,304	24,221	-	2,797	1,108	3,675	35,266	46,136	70,711
-	54	-	-	-	-	54	54	471
-	-	-	-	-	1,760	8,869	21,684	16,118
-	-	-	-	-	-	-	8,740	10,205
<u>\$ 34,044</u>	<u>\$ 24,275</u>	<u>\$ 21,028</u>	<u>\$ 11,700</u>	<u>\$ 1,108</u>	<u>\$ 25,969</u>	<u>\$ 631,433</u>	<u>\$ 1,277,865</u>	<u>\$ 1,109,119</u>