

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

**FINANCIAL REPORT  
(Audited)**

**JUNE 30, 2009**

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NANCY C. BELTON

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**Associated Students, Inc.**  
**California State University, Bakersfield**  
Bakersfield, California

We have audited the accompanying statement of financial position of the **Associated Students, Inc., California State University, Bakersfield** as of June 30, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the **Associated Students, Inc., California State University, Bakersfield's** management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of **Associated Students, Inc., California State University, Bakersfield** for the year ended June 30, 2008, were audited by other auditors whose report, dated September 5, 2008, expressed an unqualified opinion on those 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 the **Associated Students, Inc., California State University, Bakersfield** as of June 30, 2009, 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.

Bakersfield, California  
September 24, 2009

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

**STATEMENTS OF FINANCIAL POSITION  
June 30, 2009 and 2008**

	2009	2008
<b>ASSETS</b>		
Current Assets		
Investments (Note 3)	\$ 1,081,451	\$ 1,522,681
Student fees receivable	95,053	60,485
<b>Total current assets</b>	<b>1,176,504</b>	<b>1,583,166</b>
Property and Equipment		
Office equipment and furniture	84,186	81,293
Improvements	44,455	44,455
	<b>128,641</b>	<b>125,748</b>
Less: accumulated depreciation	83,518	71,361
	<b>45,123</b>	<b>54,387</b>
	<b>\$ 1,221,627</b>	<b>\$ 1,637,553</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 103,214	\$ 18,272
Due to related parties (Note 6)	2,208	99,296
Accrued expenses	7,950	6,023
Deferred revenue	110,989	106,899
<b>Total current liabilities</b>	<b>224,361</b>	<b>230,490</b>
Net Assets		
Unrestricted	997,266	1,407,063
	<b>\$ 1,221,627</b>	<b>\$ 1,637,553</b>

See Notes to Financial Statements.

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

**STATEMENTS OF ACTIVITIES  
Years Ended June 30, 2009 and 2008**

**2009**

2008

Changes in Unrestricted Net Assets:

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

**STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2009 and 2008**

	<b>2009</b>	2008
Cash Flows from Operating Activities		
(Decrease) in net assets	<b>\$ (409,797)</b>	\$ (52,710)
Adjustments to reconcile change in unrestricted net assets to net cash (used in) operating activities:		
Depreciation	<b>12,157</b>	11,575
Loss on disposition of property and equipment	-	2,121
(Increase) in receivables	<b>(34,568)</b>	(14,324)
Increase in accounts payable	<b>84,942</b>	2,472
Increase (decrease) in amounts due to related parties	<b>(97,088)</b>	1,371
Increase (decrease) in accrued expenses	<b>1,927</b>	(6,155)
Increase in deferred revenue	<b>4,090</b>	16,935



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

**NOTES TO FINANCIAL STATEMENTS**

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*Investments Valuation and Income Recognition:* Financial statement presentation follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "Not-for-Profit Entities." Under FASB ASC 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. 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. See Note 4 for discussion of fair value measurements.

*Compensated Absences:* Employees of the Associated Students are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. Accrued vacation of \$2,627 and \$822 for the years ended June 30, 2009 and 2008, respectively, have been recorded in accrued expenses. Paid sick days and personal days off have not been accrued, as employees are not entitled to sick days or personal days off pay upon termination of employment.

*Advertising:* The Associated Students expenses advertising costs as they are incurred. Advertising expenses totaled \$9,572 and \$6,955 for the years ended June 30, 2009 and 2008, respectively.

*Reclassifications:* Certain items in the 2008 financial statements have been reclassified to conform to the 2009 presentation, with no effect on change in net assets.

**Note 2. Cash and cash equivalents**

At June 30, 2009 and 2008 the Associated Students' cash was pooled with the California State University, USBank SWIFT account that resulted in share pooled cash of \$0 at June 30, 2009 and 2008. Refer to Note 3 below for Investments.

**Note 3. Investments**

The Associated Students' investments are pooled and invested with the California University, Bakersfield's USBank SWIFT account to take advantage of an effective investment program. The Associated Students' share of pooled investments was \$1,081,451 and \$1,522,681 at June 30, 2009 and 2008, respectively.

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California State University, Bakersfield, and the actual ratings as of the year end for each investment type.





**ASSOCIATED STUDENTS, INC.**

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

**NOTES TO FINANCIAL STATEMENTS**

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Rental expense was \$24,832 and \$22,971 for the years ended June 30, 2009 and 2008, respectively.

**Note 6. Transactions With Related Parties**

California State University, Bakersfield provides accounting services and leases office space to the Associated Students. See Note 5 regarding the leases.

California State University, Bakersfield, Foundation (the Foundation) functions to benefit the student body of California State University, Bakersfield by operating various campus programs. The Foundation provides program services for student services for the Children's Center. The Associated Students pays the California State University Bakersfield and/or the Foundation for these services as approved by the Student Body.

Related party transactions as of and for the years ended June 30, 2009 and 2008 are as follows:

	2009	2008
Expenses:		
Program fees		
Student services	\$ 93,564	\$ 93,891
Accounts payable	-	93,891
Due to related parties	2,208	99,296



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

**Schedule of Net Assets**

**June 30, 2009**

**(for inclusion in the California State University)**

**Assets:**

Current assets:

Cash and cash equivalents	\$ -
Short-term investments	1,081,451
Accounts receivable, net	95,053
Leases receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other assets	-
<b>Total current assets</b>	<b>1,176,504</b>

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Leases receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	45,123
Other assets	-
<b>Total noncurrent assets</b>	<b>45,123</b>
<b>Total assets</b>	<b>1,221,627</b>

**Liabilities:**

Current liabilities:

Accounts payable	105,422
Accrued salaries and benefits payable	5,323
Accrued compensated absences - current portion	2,627
Deferred revenue	110,989
Capitalized lease obligations – current portion	-
Long-term debt obligations – current portion	-
Self-insurance claims liability – current portion	-
Other liabilities	-
<b>Total current liabilities</b>	<b>224,361</b>

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 liability, net of current portion	-
Depository accounts	-
Other liabilities	-
<b>Total noncurrent liabilities</b>	<b>-</b>
<b>Total liabilities</b>	<b>224,361</b>

**Net assets:**

Invested in capital assets, net of related debt	45,123
Restricted for:	
Nonexpendable - endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Other	-
Unrestricted	952,143
<b>Total net assets</b>	<b>\$ 997,266</b>

(for inclusion in the California S



**3 Composition of capital assets at June 30, 2009:**

**Balance**

**Balance**



**4. Long-term liabilities activity schedule:**

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Long-Term Portion	Current Portion
Accrued compensated absences	\$ 822	\$ 2,288	\$ 483	\$ 2,627	\$ -	\$ 2,627
Self-insurance claims liability	-	-	-	-	-	-
Capitalized lease obligations	-	-	-	-	-	-
Long-term debt obligations:						
Revenue bonds	-	-	-	-	-	-
Other bonds (non-revenue bonds)	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-
Other:						

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

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**Other Information, Continued**

**June 30, 2009**

**(for inclusion in the California State University)**

**6. Future minimum lease payments:**

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

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

**Other Information, Continued**

**June 30, 2009**

**(for inclusion in the California State University)**

**7. Long-term debt obligation schedule**

	Revenue Bonds		All other long-term debt obligations		Total	
	Principal	Interest	Principal	Interest	Principal	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	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**8. The Nature and Amount of the Prior Period Adjustment(s) Recorded to Beginning Net Assets - GASB Auxiliary Organizations:**

N/A - No Restatements

**9. The Nature and Amount of the Prior Period Adjustment(s) Recorded to Beginning Net Assets - FASB Auxiliary Organizations:**

N/A - No Restatements

**ASSOCIATED STUDENTS**  
**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD**  
**Other Information, Continued**  
**June 30, 2009**  
**(for inclusion in the California State University)**

**8. The nature and amount of the prior period adjustment(s) recorded to beginning net assets – GASB Auxiliary Organizations:**

-N/A – No restatements-

**9. The nature and amount of the prior period adjustment(s) recorded to beginning net assets – FASB Auxiliary Organizations:**

-N/A – No restatements-

**10. Calculation of net assets - invested in capital assets, net of related debt**

	Auxiliary Organizations	
	GASB	FASB
Capital assets, net of accumulated depreciation	N/A	\$ 45,123
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		-
Unspent bond proceeds		-
Other		-
Net assets - invested in capital assets,		-
Net of related debt		\$ 45,123