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

**STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012**

	2013	2012
ASSETS		
Current Assets		
Cash (Note 2)	\$ 73,941	\$ -
Investments (Notes 3 and 4)	1,352,507	812,055
Student fees receivable	34,552	95,733
Due from related parties (Note 6)	5,079	-
Other receivables	2,093	3,257
Total current assets	1,468,172	911,045
Property and Equipment		
Office equipment and furniture	56,162	56,162
Improvements	254,852	254,852
	311,014	311,014
Less: accumulated depreciation	135,854	107,908
	175,160	203,106
	\$ 1,643,332	\$ 1,114,151

LIABILITIES AND NET ASSETS

Current Liabilities

Outstanding cheabilitSSETS

Current Assets

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2013 and 2012

	2013	2012
Changes in Unrestricted Net Assets:		
Revenues		
Student activity fees	\$ 2,837,543	\$ 2,661,669
Miscellaneous	3,905	20,616
Interest	8,199	9,424
Total revenues	2,849,647	2,691,709
Expenses of auxiliary enterprises		
Program services	2,070,674	2,541,838
General and administrative	320,033	326,153
Total expenses of auxiliary enterprises	2,390,707	2,867,991
Increase (decrease) in net assets	458,940	(176,282)
Net assets, beginning of year	787,329	963,611
Net assets, end of year	\$ 1,246,269	\$ 787,329

See Notes to Financial Statements.

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

**STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and 2012**

	2013	2012
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 458,940	\$ (176,282)
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Depreciation	27,946	29,692
(Increase) decrease in:		
Receivables	62,345	(3,756)
Due from related parties	(5,079)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	(3,766)	(41,076)
Due to related parties	194,239	(382,582)
Deferred revenue	(94,781)	(21,120)
Deposits in excess of withdrawals for agency accounts	21,698	100,561
Net cash provided by (used in) operating activities	661,542	(494,563)

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY BAKERSFIELD

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Associated Students, Inc., California State University, Bakersfield, ("the Associated Students"), functions to benefit the student body of the California State University, Bakersfield by providing financial, cultural, educational, recreational and motivational support. Though in operation since 1976, it became a viable fiscal entity with the introduction of mandatory student fees by an election in October 1977.

A summary of the Associated Students' significant accounting policies follows:

Accounting policies: The Associated Students accounts for its financial transactions in accordance with the policies and procedures of the California State University Auxiliary Organization's Accounting and Reporting System. The accounting policies of the Associated Students conform to accounting policies generally accepted in the United States of America.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount 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.

Cash: The Associated Students maintains its cash in one bank deposit account which, at times, may exceed federally insured limits. The Associated Students has not experienced any losses in such account. The Associated Students believes it is not exposed to any significant credit risk on cash.

Property and equipment: Property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line method over estimated useful lives of three to ten years. All acquisitions of property and equipment in excess of \$5,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Deferred revenue: Deferred revenue represents the portion of student activity fees collected for the summer session applicable to the next fiscal year.

Deposits in excess of withdrawals for agency accounts:

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY BAKERSFIELD

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY BAKERSFIELD

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash

At June 30, 2012 the Associated Students' cash was pooled with the California State University, US Bank SWIFT account that resulted in share pooled cash of \$0 at June 30, 2012. Refer to Note 3 below for Investments. At June 30, 2013 the Associated Students' had cash held at a financial institution in addition to its pooled cash with the California State University, US Bank SWIFT account.

Note 3. Investments

The Associated Students' investments are pooled and invested with the California University, Bakersfield's US Bank SWIFT account to take advantage of an effective investment program. The Associated Students' share of pooled investments was \$1,352,507 and \$812,055 at June 30, 2013 and 2012, respectively. The SWIFT account consists of a variety of investments such as U.S. agency securities, corporate and fixed income securities, commercial paper and repurchase agreements.

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. See Note 4 for information regarding investment valuation.

Note 4. Fair value Measurements

The FASB Accounting Standards Codification Fair Value Measurements topic establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest

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

NOTES TO FINANCIAL STATEMENTS

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of the investments held by the pooled SWIFT account explained in Note 3 reflect the Associated Students' pro rata share of the market value of the underlying assets in the account.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Associated Students believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All investments held by the Associated Students at June 30, 2013 are considered to be Level 2 investments.

Note 5. Operating Leases

The Associated Students leases office space at the Antelope Valley Center from the Trustees of the California State University, and at California State University, Bakersfield from California State University, Bakersfield Student Union, Inc., under non-cancellable agreements expiring through June 2014. The total minimum rental commitment as of June 30, 2013 is \$23,131. Rental expense was \$23,964 and \$32,966 for the years ended June 30, 2013 and 2012, respectively.

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY BAKERSFIELD

NOTES TO FINANCIAL STATEMENTS

Note 6. Transactions With Related Parties

The Associated Students salaries are paid by California State University, Bakersfield (the University) and billed to the Associated Students. The University 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.

California State University, Bakersfield, Student Union (Student Union) functions to benefit the student body of California State University, Bakersfield by operating various campus programs. The Student Union provides facilities for the Associated Student to conduct its operations. The Associated Students pays the Student Union for the use of these facilities.

Related party transactions as of and for the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Expenses:		
Program fees		
Student services	\$ 1,923,520	\$ 1,108,808
Due from:		
University (CSU)	2,616	-
Foundation	2,460	-
Student Union	3	-
Due to:		
University (CSU)	222,612	28,953
Student Union	580	-

SUPPLEMENTARY INFORMATION

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

EXPENSES BY NATURAL CLASSIFICATION
Years Ended June 30, 2013 and 2012

	2013		
	Program Services	General and Administrative	Total
Scholarships	\$ 1,755,375	\$ 30,225	\$ 1,785,600
Supplies	177,426	23,859	201,285
Services from other agencies	104,121	28,705	132,826
Salaries	11,500	94,155	105,655
Benefits	4,465	45,525	49,990
Depreciation	-	27,946	27,946
Rent	1,362	22,602	23,964
Professional fees	6,080	10,869	16,949
Travel	530	16,187	16,717
Insurance	2,279	6,930	9,209
Conference and meetings	6,099	510	6,609
Dues and subscriptions	-	4,029	4,029
Stipends	-	3,050	3,050
Telephone	399	2,392	2,791
Advertising	-	2,055	2,055
Printing and publications	1,038	941	1,979
Repairs and maintenance	-	53	53
Expendable equipment	-	-	-
	\$ 2,070,674	\$ 320,033	\$ 2,390,707

2012

Program Services	General and Administrative	Total
\$ 1,769,015	\$ -	\$ 1,769,015
171,292	55,184	226,476
44,299	10,372	54,671
47,598	82,841	130,439
26,513	41,538	68,051
-	29,692	29,692
11,528	21,438	32,966
-	13,715	13,715
453,573	18,632	472,205
2,320	7,936	10,256
14,015	1,906	15,921
180	4,818	4,998
-	29,507	29,507
463	2,401	2,864
60	169	229
982	1,017	1,999
-	2,720	2,720
-	2,267	2,267
<u>\$ 2,541,838</u>	<u>\$ 326,153</u>	<u>\$ 2,867,991</u>

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

STATEMENT OF ACTIVITIES BY FUND
Year Ended June 30, 2013

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Total
Changes in Unrestricted Net Assets:							
Revenues							
Student activity fees	\$ 338,385	\$ 335,739	\$ 120,215	\$ 1,921,974	\$ 72,844	\$ 48,386	\$ 2,837,543
Miscellaneous	3,390	-	-	-	30	485	3,905
Interest	4,215	906	119	2,533	312	114	8,199
Total revenues	345,990	336,645	120,334	1,924,507	73,186	48,985	2,849,647
Expenses of auxiliary enterprises							
Program services	54,813	204,598	110,658	1,645,183	33,318	22,104	2,070,674
General and administrative	289,583	1,230	1,878	7,272	811	19,259	320,033
Total expenses of auxiliary enterprises	344,396	205,828	112,536	1,652,455	34,129	41,363	2,390,707
Increase in net assets	1,594	130,817	7,798	272,052	39,057	7,622	458,940
Net assets, beginning of year	568,907	8,788	7,448	28,021	18,049	156,116	787,329
Net assets, end of year	\$ 570,501	\$ 139,605	\$ 15,246	\$ 300,073	\$ 57,106	\$ 163,738	\$ 1,246,269

ASSOCIATED STUDENTS, INC.
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

STATEMENT OF ACTIVITIES BY FUND
Year Ended June 30, 2012

	ASI Administration	Athletic Referendum	Children's Center Referendum	NCAA Referendum	Club Referendum	AVC Referendum	Total
Changes in Unrestricted Net Assets:							
Revenues							
Student activity fees	\$ 339,903	\$ 316,538	\$ 101,238	\$ 1,779,675	\$ 73,713	\$ 50,602	\$ 2,661,669
Miscellaneous	6,275	-	-	93	-	14,248	20,616
Interest	7,574	1,163	267	-	289	131	9,424
Total revenues	353,752	317,701	101,505	1,779,768	74,002	64,981	2,691,709
Expenses of auxiliary enterprises							
Program services	40,125	322,654	98,404	1,937,889	82,668	60,098	2,541,838
General and administrative	303,164	-	1,500	454	578	20,457	326,153
Total expenses of auxiliary enterprises	343,289	322,654	99,904	1,938,343	83,246	80,555	2,867,991
Increase (decrease) in net assets	10,463	(4,953)	1,601	(158,575)	(9,244)	(15,574)	(176,282)
Net assets, beginning of year	558,444	13,741	5,847	186,596	27,293	171,690	963,611
Net assets, end of year	\$ 568,907	\$ 8,788	\$ 7,448	\$ 28,021	\$ 18,049	\$ 156,116	\$ 787,329

Assets:

Current assets:

Cash and cash equivalents	\$	73,941
Short-term investments		1,352,507
Accounts receivable, net		41,724
Leases receivable, current portion		—
Notes receivable, current portion		—
Pledges receivable, net		—
Prepaid expenses and other assets		—
Total current assets		1,468,172

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		—

1	Restricted cash and cash equivalents at June 30, 2013:		
	Portion of restricted cash and cash equivalents related to endowments	\$	-

2.2 Investments held by the University under contractual agreements at June 30, 2013:

4 Long-term liabilities activity schedule:

	Balance June 30, 2012	Prior period Adjustments	Reclassifications	Balance June 30, 2012 (restated)	Additions	Reductions	Balance June 30, 2013	Current Portion	Long-Term Portion
Accrued compensated absences	\$ 8,123	\$ -	\$ -	\$ 8,123	\$ 6,668	\$ (6,970)	\$ 7,821	\$ 7,821	\$ -
Capitalized lease obligations:									
Gross balance	-	-	-	-	-	-	-	-	-

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
OTHER INFORMATION (Continued)
JUNE 30, 2013
(for inclusion in the California State University)

5 Future minimum lease payments - capital lease obligations:

Year ending June 30:	Principal	Interest	Principal and Interest
2014	\$ -	\$ -	\$ -
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019 - 2023	-	-	-
2024 - 2028	-	-	-
2029 - 2033	-	-	-
2034 - 2038	-	-	-
2039 - 2043	-	-	-
2044 - 2048	-	-	-
2049 - 2053	-	-	-
2054 - 2058	-	-	-
2059 - 2063	-	-	-
Total minimum lease payments			-
Less amounts representing interest			-
Present value of future minimum lease payments			-
Less: current portion			-
Capitalized lease obligations, net of current portion			\$ -

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
OTHER INFORMATION (Continued)
JUNE 30, 2013
(for inclusion in the California State University)

6 Long-term debt obligations schedule

Year Ending June 30:	Revenue Bonds			All Other Long-Term Debt Obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019 - 2023	-	-	-	-	-	-	-	-	-
2024 - 2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
2054 - 2058	-	-	-	-	-	-	-	-	-
2059 - 2063	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ASSOCIATED STUDENTS, INC. CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
OTHER INFORMATION (Continued)
JUNE 30, 2013
(for inclusion in the California State University)

7 Calculation of net position

	Auxiliary Organizations		Total Auxiliaries
	GASB	FASB	
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$ -	\$ 175,160	\$ 175,160
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)	-	-	-
Net position - net investment in capital asset	\$ -	\$ 175,160	\$ 175,160

7.2 Calculation of net position - Restricted for nonexpendable - endowments

Portion of restricted cash and cash equivalents related to endowments	\$ -	\$ -	\$ -
Endowment investments	-	-	-
Other adjustments: (please list)	-	-	-
Net position - Restricted for nonexpendable endowments per SNP	\$ -	\$ -	\$ -

8 Transactions with Related Entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 147,434
Payments to University for other than salaries of University personnel	1,776,086
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	-
Accounts (payable to) University (enter as negative number)	-
Other amounts (payable to) University (enter as negative number)	(222,612)
Accounts receivable from University	2,616
Other amounts receivable from University	-

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$	-
Contributions during the year		-
Increase (decrease) in net OPEB obligation (NOO)		-
NOO - beginning of year		-
NOO - end of year	\$	-