

Associated Students
of
California State University, Fresno

2007-08
Annual Report

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
TABLE OF CONTENTS
2007-2008

	<u>PAGE</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to the Financial Statements	5 - 7
Additional Information for California State University, Fresno:	8
Schedule of Net Assets	9
Schedule of Revenues, Expenses and Changes in Net Assets	10
Other Information	11 - 12



Moore Grider & Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

A Partnership Including
Accountancy Corporations

Richard L. Holland, C.P.A.

Thomas L. Bell, C.P.A.,
Accountancy Corporation

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A.
Accountancy Corporation

Pamela J. Gallemore, C.P.A., A.P.A.

Cheryl A. Storer, C.P.A., A.P.A.

Kendall K. Wheeler, C.P.A.

Karl L. Noyes, C.P.A.
Accountancy Corporation

Bobby D. Fowler, C.P.A.

Necia Wollenman, C.P.A.

Rena R. Avedikian, C.P.A.

Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

Cory J. Bell, C.P.A.

Carrie M. Wiebe, C.P.A.

Nora E. Buhr, C.P.A.

L. Jerome Moore, C.P.A.
Retired

Robert E. Grider, C.P.A.
Retired

The Student Senate of the Associated Students
California State University, Fresno
Fresno, California

We have audited the accompanying statements of financial position of the Associated Students, California State University, Fresno, as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Associated Students' 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. Those standards require that we plan and perform the audits 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 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 the Associated Students, California State University, Fresno, as of June 30, 2008 and 2007, 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 8 to 12, inclusive, is presented, as required by the Chancellor of the California State University, for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

Moore Grider & Company

October 6, 2008

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2007 AND 2008

ASSETS	<u>2007</u>	<u>2008</u>
Current Assets:		
Cash (Note 3)	735,364	730,207
Accounts Receivable	5,373	2,996
Prepaid Deposits (Note 4)	<u>454</u>	<u>346</u>
Total Current Assets	741,191	733,549
Endowment Investments (Note 6)	27,000	31,427
Fixed Assets	71,270	133,457
Less Accumulated Depreciation	<u>(65,237)</u>	<u>(73,335)</u>
Total Fixed Assets	<u>6,033</u>	<u>60,122</u>
TOTAL ASSETS	<u><u>774,224</u></u>	<u><u>825,098</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	39,912	57,699
Agency Fund Deposits (Note 5)	<u>100,532</u>	<u>128,761</u>
Total Current Liabilities	140,444	186,460
Net Assets:		
General:		
Surplus - Unappropriated	606,780	607,211
Board Designated:		
Associated Students Endowment Fund	<u>27,000</u>	<u>31,427</u>
Total Unrestricted Net Assets	<u>633,780</u>	<u>638,638</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>774,224</u></u>	<u><u>825,098</u></u>

The accompanying notes are an integral part of the financial statements

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
 STATEMENTS OF ACTIVITIES
 YEARS ENDED JUNE 30, 2007 AND 2008

	2007	2008
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues:		
Interest Income	31,031	29,832
Other Income	32,271	11,396
Student Body Fees	603,589	590,071
Total Revenues	666,891	631,299
Expenses:		
Salaries/Wages	132,725	115,971
Employee Benefits	54,923	27,524
Advertising/Publicity	39,154	29,347
Audit Fees	6,107	6,819
Corporate Services Fee	46,032	46,000
Depreciation	4,614	8,098
Dues/Subscriptions	54,813	84,124
Insurance	15,321	14,574
Legal Fees	4,824	1,544
Miscellaneous	10,640	41,796
Office Supplies/Postage	8,917	8,455
Office/Equipment Rental	20,777	25,328
Repairs/Maintenance	651	5,179
Student Programs	97,100	94,633
Supplies	13,950	15,191
Telephone	2,597	6,825
Travel	11,578	50,449
University Donations	19,524	44,584
Total Expenses	544,247	626,441
Increase in Net Assets	122,644	4,858
Net Assets at Beginning of Year	511,136	633,780
Net Assets at End of Year	633,780	638,638

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

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2007 AND 2008**

	<u>2007</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	122,644	4,858
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,614	8,098
Changes In:		
Accounts Receivable	(1,400)	2,377
Prepaid Deposits	(64)	108
Accounts Payable and Accrued Expenses	(27,643)	17,787
Agency Fund Deposits	(136)	28,229
	<u>98,015</u>	<u>61,457</u>
Cash Flows From Investing Activities		
Purchase of Endowment Investments	(27,000)	(4,427)
Acquisition of Fixed Assets	(1,835)	(62,187)
	<u>(28,835)</u>	<u>(66,614)</u>
Cash Flows From Financing Activities		
	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash	69,180	(5,157)
Cash at Beginning of Year	<u>666,184</u>	<u>735,364</u>
Cash at End of Year	<u><u>735,364</u></u>	<u><u>730,207</u></u>

The accompanying notes are an integral part of the financial statements

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2008

Note 1 – General Information

The Associated Students, Inc., (ASI), is a not-for-profit organization whose specific purpose is to provide students of California State University, Fresno with a means of responsible and effective participation in the governance of the campus. The programs included in the ASI budget are campus programs and student government.

Note 2 – Summary of Significant Accounting Policies

- A. Accounting Policies - The accounting policies of the Associated Students, California State University, Fresno conform to generally accepted accounting principles (GAAP).
- B. Organization - The Associated Students incorporated as a nonprofit public benefit corporation on December 22, 1986. It is a tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code.
- C. Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accounting records of the Associated Students are maintained using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when goods or services are received.
- D. Fixed Assets - Equipment is recorded at cost and depreciation is computed using straight-line rates based upon estimated useful lives. The organization capitalizes all expenditures for equipment in excess of \$1,000. Estimated useful lives for assets range from three to seven years. Fully depreciated assets, which have economic value, are retained on the books although fully depreciated.
- E. Cash - cash consists of cash held in checking and money market accounts and cash held in state investment funds.
- F. 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.
- G. Accounts Receivable – At June 30, 2007 and 2008, management considers all accounts receivable to be fully collectible. Therefore, there is no allowance for doubtful accounts.
- H. Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. ASI had no temporarily or permanently restricted net assets in 2007 or 2008.

Note 3 – Cash

Cash and cash equivalents at June 30 consisted of the following:

	<u>2007</u>	<u>2008</u>
Deposits:		
Cash in Bank	\$65,580	\$59,196
Money Market	299,566	282,331
Pooled Funds:		
Cash in State of California Local Agency Investment Fund	<u>370,218</u>	<u>388,680</u>
Total	<u>\$735,364</u>	<u>\$730,207</u>

The Federal Depository Insurance Corporation insures cash balances held in banks up to \$100,000. At June 30, 2008, the Associated Students uninsured cash balances at Citibank totaled \$252,220.

The Associated Students maintains most of its cash in the State of California Local Agency Investment Fund. The State pools these funds with those of other organizations and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is remitted quarterly to the Associated Students. Any investment losses are proportionately shared by all funds in the pool.

Cash includes agency funds of \$100,532 and \$128,761 at June 30, 2007 and 2008, respectively. (See Note 5)

Note 4 – Prepaid Deposits

Prepaid deposits are comprised of the amount on deposit with the State Compensation Insurance Fund.

Note 5 – Agency Fund Deposits

This liability account was established to reflect funds held in trust for various sponsored programs on campus. These consist of student clubs for which the Associated Students processes transactions only and does not monitor the use of funds.

Note 6 – Endowment Investments

Endowment investments, consist of the board designated ASI Scholarship Endowment with a balance of \$27,000 and \$31,427 at June 30, 2007 and June 30, 2008, respectively, invested with the Fresno State Alumni Association in their endowment account. The scholarship funds will be granted to CSU, Fresno students by the ASI.

Note 7 – Related Parties

The Associated Students have transactions with California State University, Fresno during the year ended June 30 as follows:

Donation to the Campus Recreational Services of \$19,524 and \$36,084 for the years ended June 30, 2007 and 2008, respectively.

The Associated Students have transactions with the California State University, Fresno Association, Inc. during the years ended June 30 as follows:

Administrative fees paid to the Association for management services were \$46,000 for the years ending June 30, 2007 and 2008, respectively based on a flat fee arrangement.

Note 7 – Related Parties, continued

Annual rent of the ASI office space of \$10,876 for the fiscal years ended June 30, 2007 and 2008, respectively.

The Associated Students have transactions with California State University, Fresno Foundation during the years ended June 30 as follows:

Donation to the University Lecture Series of \$0 and \$8,500 for the fiscal years ended June 30, 2007 and 2008, respectively.

Note 8 – Expenses

The following is a detailed list of expenses by natural classification for the year ended June 30

	2007			2008		
	Program	General & Administrative	Total	Program	General & Administrative	Total
Salaries/Wages	\$63,564	\$69,161	\$132,725	\$6,416	\$109,555	\$115,971
Employee Benefits	34,775	20,148	54,923	(3,565)	31,089	27,524
Advertising/Publicity	20,775	18,379	39,154	13,737	15,610	29,347
Audit Fees	0	6,107	6,107	0	6,819	6,819
Corporate Services Fee	0	46,032	46,032	0	46,000	46,000
Depreciation	0	4,614	4,614	0	8,098	8,098
Dues/Subscriptions	47,788	7,025	54,813	70,540	13,584	84,124
Insurance	10,082	5,239	15,321	9,796	4,778	14,574
Legal Fees	0	4,824	4,824	0	1,544	1,544
Miscellaneous	9,231	1,409	10,640	38,857	2,939	41,796
Office Supplies/Postage	1,154	7,763	8,917	0	8,455	8,455
Office/Equipment Rental	9,901	10,876	20,777	10,224	15,104	25,328
Repairs/Maintenance	0	651	651	0	5,179	5,179
Student Programs	83,414	13,686	97,100	81,361	13,272	94,633
Supplies	13,734	216	13,950	14,729	462	15,191
Telephone	0	2,597	2,597	0	6,825	6,825
Travel	0	11,578	11,578	0	50,449	50,449
University Donations	19,524	0	19,524	44,584	0	44,584
Totals	\$313,942	\$230,305	\$544,247	\$286,679	\$339,762	\$626,441

Note 9 – Contingency

The Associated Students is a defendant in one legal action. It is the opinion of management and outside legal counsel that this legal action is defensible, and therefore, the Associated Students intends to vigorously contest the legal action. The final outcome cannot be determined at this time.

ADDITIONAL INFORMATION
FOR CALIFORNIA STATE UNIVERSITY, FRESNO

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
SCHEDULE OF NET ASSETS
JUNE 30, 2008
(for inclusion in the California State University)

ASSETS

Current Assets:

Cash and Cash Equivalents	\$341,527
Short-Term Investments	388,680
Accounts Receivable, net	2,996
Prepaid Expenses and Other Assets	346
Total Current Assets	733,549

Noncurrent Assets:

Other Long Term Investments	31,427
Capital Assets, net	60,122
	91,549

TOTAL ASSETS	825,098
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	52,006
Accrued Salaries and Benefits Payable	3,289
Accrued Compensated Absences-Current Portion	500
Total Current Liabilities	55,795

Noncurrent Liabilities:

Accrued Compensated Absences, Net of Current Portion	1,904
Depository Accounts	128,761
Total Noncurrent Liabilities	130,665

Total Liabilities	186,460
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Net Assets:

Invested in Capital Assets, Net of Related Debt	60,122
Restricted for:	
Expendable:	
Scholarships and Fellowships	31,427
Unrestricted	547,089
Total Net Assets	638,638

TOTAL LIABILITIES AND NET ASSETS	\$825,098
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See Accompanying Independent Auditors' Report

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008
(for inclusion in the California State University)

Revenues:		
Operating Revenues:		
Student Tuition and Fees (Net of Scholarship Allowance of \$0)		<u>\$601,467</u>
Expenses:		
Operating Expenses:		
Academic Support	44,584	
Student Services	242,095	
Auxiliary Enterprises Expenses	331,664	
Depreciation	8,098	
Total Operating Expenses		<u>626,441</u>
Operating Income (Loss)		<u>(24,974)</u>
Nonoperating Revenues (Expenses):		
Investment Income, Net		<u>29,832</u>
Net Operating Revenues (Expenses)		<u>29,832</u>
Increase in Net Assets		4,858
Net Assets:		
Net Assets at Beginning of Year		<u>633,780</u>
Net Assets at End of Year		<u><u>\$638,638</u></u>

See Accompanying Independent Auditors' Report

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
OTHER INFORMATION

JUNE 30, 2008

(for inclusion in the California State University)

1. Restricted Cash and Cash Equivalents at June 30, 2008:

Not applicable

2. Composition of Investments at June 30, 2008:

	Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
Slate of California Local Agency Investment Fund (L-AIF)	388,680	0	0	0	388,680
Equity Securities	0	31,427	0	31,427	31,427
Total Investments	388,680	31,427	0	31,427	420,107

2.1 Restricted noncurrent investments at June 30, 2008 related to:

Not applicable

3. Composition of Capital Assets at June 30, 2008:

	Balance June 30, 2007	Additions	Reductions	Transfers	Balance June 30, 2008
Depreciable Capital Assets					
Personal Property:					
Equipment	71,270	62,187	0	0	133,457
Total Depreciable Capital Assets	71,270	62,187	0	0	133,457
Less Accumulated Depreciation:					
Personal Property:					
Equipment	(65,237)	(8,098)	0	0	(73,335)
Total Accumulated Depreciation	(65,237)	(8,098)	0	0	(73,335)
Net Capital Assets	6,033	54,089	0	0	60,122

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
 OTHER INFORMATION
 JUNE 30, 2008
 (for inclusion in the California State University)

Detail of Depreciation and Amortization Expense for the Year Ended June 30, 2008:

Depreciation and Amortization Expense Related to Capital Assets	8,098
Amortization Related to Other Assets	0
Total depreciation and Amortization	8,098

4. Long-Term Liabilities Activity Schedule:

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Long-Term Portion	Current Portion
Accrued Compensated Absences	7,361		(4,957)	2,404	1,904	500

5. Future Minimum Lease Payments:
Not Applicable

6. Long Term Debt Obligation Schedule:
Not Applicable

7. Calculation of Net Assets - Invested in Capital Assets, Net of Related Debt:

	Auxiliary Organizations	
	GASB	FASB
Capital Assets, Net of Accumulated Depreciation	0	60,122

	Amount
	36,084

8. Transactions with Related Entities
Reimbursements to University for other than salaries of University personnel

9. The Nature and Amount of the Prior Period Adjustments(s) Recorded to Beginning Net Assets:
Not Applicable

