

**Associated Students, Inc.
of
California State University, Fresno**

**2008-09
Annual Report**

Approved by Senate
September 23, 2009

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
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2008-2009

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Moore Grider & Company
Certified Public Accountants

*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.

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Kelli D. Steele, C.P.A.

Julie B. Fillmore, C.P.A.

Carrie M. Wiebe, C.P.A.

Nora E. Crow, C.P.A.

Nicholas Medeiros, C.P.A.

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

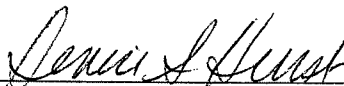
Robert E. Grider, C.P.A.
Retired

September 22, 2009

The Associated Students of California
State University, Fresno
2771 East Shaw Avenue
Fresno, California 93710
Attn: Steve Katz

Enclosed are two (2) copies of our Independent Auditors' Report dated September 20, 2009, to be included with the audited financial statements, together with ten (10) copies of our governance letter dated September 20, 2009.

MOORE GRIDER & COMPANY


Denise S. Hurst, C.P.A.

DSH:mr
Enclosures



Moore Grider & Company

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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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 2009, 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 2009, 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 9 to 14 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

September 20, 2009

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2009

ASSETS	<u>2008</u>	<u>2009</u>
Current Assets:		
Cash (Note 3)	730,207	666,320
Accounts Receivable	2,996	15,730
Prepaid Deposits (Note 4)	<u>346</u>	<u>307</u>
Total Current Assets	733,549	682,357
Endowment Investments (Note 6)	31,427	31,336
Fixed Assets	133,457	176,155
Less Accumulated Depreciation	<u>(73,335)</u>	<u>(91,313)</u>
Total Fixed Assets	<u>60,122</u>	<u>84,842</u>
TOTAL ASSETS	<u><u>825,098</u></u>	<u><u>798,535</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	57,699	64,622
Agency Fund Deposits (Note 5)	<u>128,761</u>	<u>144,955</u>
Total Current Liabilities	186,460	209,577
Commitments and Contingencies (Note 9)	0	0
Net Assets:		
General:		
Surplus - Unappropriated	607,211	557,622
Board Designated:		
Associated Students Endowment Fund (Note 6)	<u>31,427</u>	<u>31,336</u>
Total Unrestricted Net Assets	<u>638,638</u>	<u>588,958</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>825,098</u></u>	<u><u>798,535</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, 2008 AND 2009**

	2008	2009
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues:		
Interest Income	29,832	14,516
Other Income	11,396	5,709
Student Body Fees	590,071	623,904
Total Revenues	631,299	644,129
Expenses:		
Salaries/Wages	115,971	116,518
Employee Benefits	27,524	17,567
Advertising/Publicity	29,347	42,408
Audit Fees	6,819	11,350
Corporate Services Fee	46,000	46,700
Depreciation	8,098	17,978
Dues/Subscriptions	84,124	78,610
Insurance	14,574	15,455
Legal Fees	1,544	24,551
Miscellaneous	41,796	41,873
Office Supplies/Postage	8,455	15,998
Office/Equipment Rental	25,328	33,611
Repairs/Maintenance	5,179	4,063
Student Programs	94,633	97,912
Supplies	15,191	48,892
Telephone	6,825	2,908
Travel	50,449	15,202
University Donations	44,584	62,213
Total Expenses	626,441	693,809
Increase (Decrease) in Net Assets	4,858	(49,680)
Net Assets at Beginning of Year	633,780	638,638
Net Assets at End of Year	638,638	588,958

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, 2008 AND 2009**

	2008	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	4,858	(49,680)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided from (used by) Operating Activities:		
Depreciation	8,098	17,978
Changes In:		
Accounts Receivable	2,377	(12,734)
Prepaid Deposits	108	39
Accounts Payable and Accrued Expenses	17,787	6,923
Agency Fund Deposits	28,229	16,194
Net Cash Provided from (used by) Operating Activities	61,457	(21,280)
Cash Flows From Investing Activities		
(Increase) Decrease in Endowment Investments	(4,427)	91
Acquisition of Fixed Assets	(62,187)	(42,698)
Net Cash Used by Investing Activities	(66,614)	(42,607)
Cash Flows From Financing Activities		
	-	-
Net Decrease in Cash	(5,157)	(63,887)
Cash at Beginning of Year	735,364	730,207
Cash at End of Year	730,207	666,320

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, 2008 AND 2009

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 ten 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 – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2008 and 2009, the organization considers all amounts to be fully collectible; therefore, no allowance for doubtful accounts is reflected.
- 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 2008 or 2009.

Note 2 – Summary of Significant Accounting Policies, continued

- I. General Net Assets (or Fund) – This category is maintained to account for those transactions related to all activities not covered in a specific fund and which relate in general to the full scope of operations of the auxiliary organization. These funds are appropriated in accordance with the policies established by the Trustees of The California State University (Trustees), the campus, and the auxiliary organization.
- J. Designated Net Assets – When appropriations from the General Fund are made by the Board of Directors for a specific purpose, they are classified as designated net assets.
- K. Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in Note 8 – Expenses by Natural Classification. Accordingly, certain costs have been allocated among programs and supporting services.

Note 3 – Cash

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

	<u>2008</u>	<u>2009</u>
Deposits:		
Cash in Bank	\$59,196	\$35,504
Money Market	282,331	232,022
Pooled Funds:		
Cash in State of California Local Agency Investment Fund	<u>388,680</u>	<u>398,794</u>
Total	<u>\$730,207</u>	<u>\$666,320</u>

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 \$128,761 and \$144,955 at June 30, 2008 and 2009, 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 \$31,427 and \$31,336 at June 30, 2008 and June 30, 2009, respectively. The funds are invested with the Fresno State Alumni Association in their endowment cash account. The scholarship funds will be granted to California State University, Fresno students by the ASI. It is the policy of ASI to hold the endowment in cash and to earn interest at the current money market rate. Scholarships are distributed to students based on prior year investment earnings of the endowment.

Note 6 – Endowment Investments, continued

Composition of and changes in endowment net assets for the year ended June 30, 2008 were as follows:

Board-designated endowment net assets, beginning of year	\$27,000
Increase in endowments	10,000
Investment income	427
Amounts appropriated for expenditure	<u>(6,000)</u>
Board-designated endowment net assets, end of year	<u>\$31,427</u>

Composition of and changes in endowment net assets for the year ended June 30, 2009 were as follows:

Board-designated endowment net assets, beginning of year	\$31,427
Investment income	1,209
Amounts appropriated for expenditure	<u>(1,300)</u>
Board-designated endowment net assets, end of year	<u>\$31,336</u>

Note 7 – Related Parties

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

Donation to Intramural Sports (student officials) and Kinesiology (operational expenses for open use of North Gym swimming pool) of \$36,084 and \$6,700 for the years ended June 30, 2008 and 2009, respectively.

Donation of laptops to the Henry Madden Library valued at \$0 and \$30,963 for the years ended June 30, 2008 and 2009, 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 and \$46,700 for the years ending June 30, 2008 and 2009, respectively based on a flat fee arrangement.

Annual rent of the ASI office space of \$10,876 per year for the years ended June 30, 2008 and 2009, respectively.

Donation to University Student Union for the laptop program of \$0 and \$7,200 for the years ended June 30, 2008 and 2009, respectively.

Donation to University Student Union for the 40th anniversary recognition of \$0 and \$5,000 for the years ended June 30, 2008 and 2009, respectively.

The amount due the Association from the Associated Students was \$7,842 and \$2,745 at June 30, 2008 and 2009, 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 \$8,500 and \$12,000 for the years ended June 30, 2008 and 2009, respectively.

The amount due the Fresno Foundation from the Associated Students was \$345 and \$0 at June 30, 2008 and 2009, respectively.

Note 7 – Related Parties, continued

The Associated Students has transactions with the Agricultural Foundation of California State University, Fresno. The amount due the Agricultural Foundation from the Associated Students was \$0 and \$3,213 at June 30, 2008 and 2009, respectively.

Note 8 – Expenses by Natural Classification

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

	2008			2009		
	Program	General & Administrative	Total	Program	General & Administrative	Total
Salaries/Wages	\$6,416	\$109,555	\$115,971	\$0	\$116,518	\$116,518
Employee Benefits	(3,565)	31,089	27,524	0	17,567	17,567
Advertising/Publicity	13,737	15,610	29,347	33,230	9,178	42,408
Audit Fees	0	6,819	6,819	0	11,350	11,350
Corporate Services Fee	0	46,000	46,000	0	46,700	46,700
Depreciation	0	8,098	8,098	0	17,978	17,978
Dues/Subscriptions	70,540	13,584	84,124	71,037	7,573	78,610
Insurance	9,796	4,778	14,574	10,756	4,699	15,455
Legal Fees	0	1,544	1,544	0	24,551	24,551
Miscellaneous	38,857	2,939	41,796	25,628	16,245	41,873
Office Supplies/Postage	0	8,455	8,455	8,424	7,574	15,998
Office/Equipment Rental	10,224	15,104	25,328	14,402	19,209	33,611
Repairs/Maintenance	0	5,179	5,179	0	4,063	4,063
Student Programs	81,361	13,272	94,633	87,591	10,321	97,912
Supplies	14,729	462	15,191	42,480	6,412	48,892
Telephone	0	6,825	6,825	0	2,908	2,908
Travel	0	50,449	50,449	0	15,202	15,202
University Donations	44,584	0	44,584	62,213	0	62,213
Totals	\$286,679	\$339,762	\$626,441	\$355,761	\$338,048	\$693,809

Note 9 – Commitments and Contingencies

Litigation

The Associated Students was a defendant in one legal action during the 2008/09 fiscal year, which has been resolved.

Operating Lease

Office space lease, expiring June 30, 2010. Rent expense for the years ended June 30, 2008 and 2009 was \$10,876 per year. See Note 7.

Note 10 – Subsequent Events

Subsequent events have been evaluated through September 23, 2009 (date financial statements available to be issued) noting no matters requiring disclosure in the financial statements for the year ended June 30, 2009.

ADDITIONAL INFORMATION
FOR CALIFORNIA STATE UNIVERSITY, FRESNO

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
SCHEDULE OF NET ASSETS
JUNE 30, 2009
(for inclusion in the California State University)

ASSETS

Current Assets:

Cash and Cash Equivalents	\$267,526
Short-Term Investments	398,794
Accounts Receivable, net	15,730
Prepaid Expenses and Other Assets	307
Total Current Assets	682,357

Noncurrent Assets:

Endowment Investments	31,336
Capital Assets, net	84,842
Total Noncurrent Assets	116,178

TOTAL ASSETS

798,535

LIABILITIES

Current Liabilities:

Accounts Payable	60,667
Accrued Salaries and Benefits Payable	2,832
Accrued Compensated Absences-Current Portion	250
Total Current Liabilities	63,749

Noncurrent Liabilities:

Accrued Compensated Absences, Net of Current Portion	873
Depository Accounts	144,955
Total Noncurrent Liabilities	145,828

Total Liabilities

209,577

NET ASSETS

Invested in Capital Assets, Net of Related Debt	84,842
Restricted for:	
Expendable:	
Scholarships and Fellowships	31,336
Unrestricted	472,780
Total Net Assets	588,958

TOTAL LIABILITIES AND NET ASSETS

\$798,535

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, 2009
(for inclusion in the California State University)

Revenues:	
Operating Revenues:	
Student Tuition and Fees (Net of Scholarship Allowance of \$0)	\$623,904
Other Operating Revenues	5,709
Total Operating Revenues	<u>629,613</u>
Expenses:	
Operating Expenses:	
Academic Support	62,213
Student Services	293,548
Auxiliary Enterprises Expenses	320,070
Depreciation	17,978
Total Operating Expenses	<u>693,809</u>
Operating Income (Loss)	<u>(64,196)</u>
Nonoperating Revenues (Expenses):	
Investment Income, Net	<u>14,516</u>
Decrease in Net Assets	(49,680)
Net Assets:	
Net Assets at Beginning of Year	<u>638,638</u>
Net Assets at End of Year	<u><u>\$588,958</u></u>

See Accompanying Independent Auditors' Report

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
OTHER INFORMATION

JUNE 30, 2009

(for inclusion in the California State University)

1. Restricted Cash and Cash Equivalents at June 30, 2009:

Not applicable

2.1 Composition of Investments at June 30, 2009:

	Current		Total		Noncurrent		Total
	Unrestricted	Restricted	Current	Unrestricted	Restricted	Noncurrent	
State of California Local Agency Investment Fund (LAIF)	398,794	0	398,794	0	0	0	398,794
Equity Securities	0	0	0	31,336	0	31,336	31,336
Total Investments	398,794	0	398,794	31,336	0	31,336	430,130

2.3 Restricted Current Investments at June 30, 2009 related to:

Not Applicable

2.4 Restricted Noncurrent Investments at June 30, 2009 related to:

Not applicable

3.1 Composition of Capital Assets at June 30, 2009:

	Balance		Additions	Reductions	Transfers	Balance	
	June 30, 2008	June 30, 2009				June 30, 2008	June 30, 2009
Depreciable Capital Assets	133,457	42,698	0	0	0	176,155	
Personal Property:							
Equipment							
Total Depreciable Capital Assets	133,457	42,698	0	0	0	176,155	
Less Accumulated Depreciation:							
Personal Property:							
Equipment	(73,335)	(17,978)	0	0	0	(91,313)	
Total Accumulated Depreciation	(73,335)	(17,978)	0	0	0	(91,313)	
Total Capital Assets, Net	60,122	24,720	0	0	0	84,842	

See Accompanying Independent Auditors' Report.

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
OTHER INFORMATION**

JUNE 30, 2009
(for inclusion in the California State University)

3.2 Detail of Depreciation and Amortization Expense for the Year Ended June 30, 2009:
Depreciation and Amortization Expense Related to Capital Assets
Amortization Related to Other Assets

	17,978
	0
	17,978

Total depreciation and Amortization

4. Long-Term Liabilities Activity Schedule:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Current Portion	Long-Term Portion
Accrued Compensated Absences	2,404	0	(1,281)	1,123	250	873

5. Future Minimum Lease Payments:

Not Applicable

6. Long Term Debt Obligation Schedule:

Not Applicable

7. Calculation of Net Assets:

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

	0		84,842
Capital Assets, Net of Accumulated Depreciation		Auxiliary Organizations	
		GASB	FASB

7.2 Calculation of Net Assets - Restricted for Nonexpendable Endowments:

Not Applicable

8. Transactions with Related Entities:

Reimbursements to University for other than salaries of University personnel
Gifts (cash or assets) to the University from recognized Auxiliary Organizations

	6,700
	30,963
	37,663

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, FRESNO
OTHER INFORMATION

JUNE 30, 2009

(for Inclusion in the California State University)

9. Other Postemployment Benefits Obligation (OPEB):
Not Applicable

10. Pollution Remediation Liabilities under GASB Statement No. 49:
Not Applicable

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

