

**CALIFORNIA STATE UNIVERSITY, FRESNO**

**ATHLETIC CORPORATION**

**2010-2011  
ANNUAL REPORT**

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION**

**FINANCIAL STATEMENTS  
AND  
ADDITIONAL INFORMATION  
WITH INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION**

**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
AS OF JUNE 30, 2011**

**BOARD OF DIRECTORS:**

Dr. Paul M. Oliaro	University Officer designated by the President Vice President for Student Affairs California State University, Fresno
Dr. Peter Smits	University Officer designated by the President Vice President for University Advancement California State University, Fresno
Dr. David Schechter	University NCAA Athletic Representative Political Science Department California State University, Fresno
Pedro Ramirez	Associated Student Body President California State University, Fresno
Dr. Katherine Adams	Faculty Director nominated by the Board of Directors Communication Department California State University, Fresno
Cynthia Teniente-Matson	Administrator/Director nominated by the Board Of Directors Vice President for Administration
Larry Layne	Community Director Fresno, California
Vinci Ricchiuti	Community Director Budget Committee Chair Clovis, California
Jim Sabbatini	Community Director Audit Committee Chair Fresno, California
Taylor Garrison	Male Student Athlete Director Academic Counseling
Amira Ferrell	Female Student Athlete Director Academic Counseling
Thomas Boeh	University Athletic Director (nonvoting) California State University, Fresno

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
AS OF JUNE 30, 2011**

**OFFICERS:**

Dr. Paul M. Oliaro	Chairman of the Board
Vinci Ricchiuti	Secretary

**AUDIT COMMITTEE:**

Jim Sabbatini	Committee Chair
Tom McFerson	
Katherine Adams	
David Schechter	
Erin Goldfarb	

**BUDGET COMMITTEE:**

Vinci Ricchiuti	Committee Chair
Jim Sabbatini	
Peter Simis	
Pedro Ramirez	
Larry Layne	

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
AS OF JUNE 30, 2011**

**CORPORATE DATA:**

**Executive Offices**

California State University, Fresno  
Fresno, California 93740  
Joyal Administration Building  
Telephone: (559) 278-2541

**Auditors**

Moore Grider & Company  
325 E. Sierra  
Fresno, California 93710  
Telephone: (559) 440-0700

**Legal Counsel**

Wallace Upton, Attorney at Law  
Caswell Bell & Hillison LLP  
5200 N. Palm, Suite 211  
Fresno, California 93704  
Telephone: (559) 225-6550



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.,  
Accountancy Corporation

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

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

Kendall K. Wheeler, C.P.A.

Cory J. Bell, 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.

Carrie M. Wiebe, C.P.A.

Nora E. Crow, C.P.A.

Nicholas Medeiros, C.P.A.

Oscar Espinoza, C.P.A.

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

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

The Board of Directors  
California State University, Fresno  
Athletic Corporation  
Fresno, California

We have audited the accompanying statements of financial position of California State University, Fresno Athletic Corporation as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the corporation's 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 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 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 California State University, Fresno Athletic Corporation as of June 30, 2011 and 2010, 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on pages 26 to 34, inclusive, is presented for purposes of additional analysis and is not a required part of the financial statements. The information reflected on pages 35 to 41 is presented as required by the Chancellor of California State University. 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.

*Moore Grider & Company*

September 22, 2011

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30**

<b>ASSETS</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 2,024,036	\$ 912,016
Restricted cash (Notes 1 and 9)	600,000	-
Accounts receivable (Note 3)	1,268,705	2,046,517
Deposits and prepaid expenses	274,743	208,749
Contributions receivable (Note 4)	220,286	361,174
Inventory - Bulldog Shop	149,216	133,405
Total Current Assets	<u>4,536,986</u>	<u>3,661,861</u>
<b>Fixed Assets</b>		
Buildings and equipment (Note 5)	<u>12,929,210</u>	<u>13,027,022</u>
<b>Long-Term Assets</b>		
Contributions receivable (Note 4)	120,495	336,175
Investments held in trust (Note 6)	861,976	642,663
Other long-term investments (Note 6)	211,800	320,700
Total Long-Term Assets	<u>1,194,271</u>	<u>1,299,538</u>
<b>TOTAL ASSETS</b>	<u><b>18,660,467</b></u>	<u><b>17,988,421</b></u>
 <b>LIABILITIES and NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	235,871	574,110
Accrued payroll and compensated absences	736,230	880,719
Advance payment - The Bulldog Foundation	-	1,000,000
Deferred compensation/annuity (Note 11)	1,362,556	1,326,734
Deferred income (Note 1)	3,113,287	2,023,096
Deposits held in trust (Note 8)	148,868	206,754
Current portion long-term debt (Note 9)	108,314	519,800
Total Current Liabilities	<u>5,705,126</u>	<u>6,531,213</u>
<b>Non-Current Liabilities</b>		
Accrued compensated absences	782,799	820,549
Long-term debt, net of current portion (Note 9)	421,845	-
Total Non-Current Liabilities	<u>1,204,644</u>	<u>820,549</u>
<b>TOTAL LIABILITIES</b>	<u><b>6,909,770</b></u>	<u><b>7,351,762</b></u>
<b>Net Assets</b>		
Unrestricted	11,513,053	10,400,625
Temporarily restricted (Note 12)	237,644	236,034
Total Net Assets	<u>11,750,697</u>	<u>10,636,659</u>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<u><b>\$ 18,660,467</b></u>	<u><b>\$ 17,988,421</b></u>

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

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30**

<b>Change in Unrestricted Net Assets</b>	<u>2011</u>	<u>2010</u>
<b>Revenues and Gains</b>		
Athletic operations	\$ 12,699,777	\$ 12,393,191
Contributions	9,755,059	8,683,008
Student fees	1,620,713	1,572,551
Merchandise sales	489,378	501,565
Investment income	160,959	77,824
Special events and other income	2,344,897	1,354,351
Net assets released from restriction (Note 12)	<u>970,502</u>	<u>367,315</u>
Total Revenues and Gains	<u>28,041,285</u>	<u>24,949,805</u>
<b>Expenses</b>		
Athletic operations	23,666,548	21,810,665
Management and general	2,237,105	2,209,407
Depreciation	827,284	800,463
Fundraising	<u>197,920</u>	<u>186,202</u>
Total Expenses	<u>26,928,857</u>	<u>25,006,737</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u><b>1,112,428</b></u>	<u><b>(56,932)</b></u>
<b>Changes in Temporarily Restricted Net Assets</b>		
Contributions	972,112	216,801
Net assets released from restriction (Note 12)	<u>(970,502)</u>	<u>(367,315)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u><b>1,610</b></u>	<u><b>(150,514)</b></u>
<b>Increase (Decrease) in Net Assets</b>	<b>1,114,038</b>	<b>(207,446)</b>
<b>Net Assets at Beginning of Year</b>	<u><b>10,636,659</b></u>	<u><b>10,844,105</b></u>
<b>Net Assets at End of Year</b>	<u><u><b>\$ 11,750,697</b></u></u>	<u><u><b>\$ 10,636,659</b></u></u>

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

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30**

<b>Cash Flows from Operating Activities</b>	<u><b>2011</b></u>	<u><b>2010</b></u>
Increase (Decrease) in Net Assets	\$ 1,114,038	\$ (207,446)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation (Note 5)	827,284	800,463
Amortization (Note 6)	108,900	108,900
Net realized and unrealized gain on investments	(159,313)	(73,131)
Loss on disposition of equipment	10,883	35,328
(Increase) Decrease in Operating Assets		
Accounts receivable	777,812	283,213
Deposits and prepaid expenses	(65,994)	8,782
Contributions receivable	356,568	165,083
Inventory	(15,811)	84,138
Increase (Decrease) in Operating Liabilities		
Accounts payable and accrued liabilities	(520,478)	373,006
Deferred income	1,090,191	129,806
Advance payments	(1,000,000)	(1,000,000)
Deposits held in trust	(57,886)	(37,557)
Deferred compensation/annuity	35,822	171,447
Net Cash Provided by Operating Activities	<u>2,502,016</u>	<u>842,032</u>
 <b>Cash Flow from Investing Activities</b>		
Purchase of buildings and equipment	(168,706)	(350,880)
Purchases of long-term investments	(60,000)	(60,000)
Construction in progress	(424,660)	(66,158)
Net Cash Utilized by Investing Activities	<u>(653,366)</u>	<u>(477,038)</u>
 <b>Cash Flow from Financing Activities</b>		
Payments on long-term debt	(736,630)	(570,600)
Advances on line of credit	1,500,000	-
Payments on line of credit	(1,500,000)	-
Net Cash Utilized by Financing Activities	<u>(736,630)</u>	<u>(570,600)</u>
 <b>Net Change in Cash and Cash Equivalents</b>	1,112,020	(205,606)
 <b>Cash and Cash Equivalents at Beginning of Year</b>	<u>912,016</u>	<u>1,117,622</u>
 <b>Cash and Cash Equivalents at End of Year</b>	<u><b>\$ 2,024,036</b></u>	<u><b>\$ 912,016</b></u>
 <b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	<u>\$ 6,222</u>	<u>\$ 26,005</u>
Income taxes paid	<u>\$ 4,000</u>	<u>\$ 123,808</u>
 <b>Supplemental Schedule Noncash Investing and Financing Activities</b>		
Financed capital asset purchases	<u>\$ 146,989</u>	
Debt acquired for turf project	<u>\$ 600,000</u>	

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

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

California State University, Fresno Athletic Corporation ("Corporation") was incorporated as a nonprofit entity under the laws of the State of California on April 26, 1982. The Corporation was formed to meet the expanding needs and regulations related to administering the various sports programs at California State University, Fresno ("University"). The Corporation is supported primarily by contributions and game revenues. The Save Mart Center is not a part of the Corporation, nor administered by the Corporation; and therefore, none of its activities are reflected in these financial statements.

The following are the significant accounting policies of the organization:

**Method of accounting** – The financial statements are prepared using the accrual basis of accounting, in which unrestricted support and revenue are recognized when earned or due. Restricted support and revenue are recognized when expenses have been incurred for the purpose specified by the donor.

**Recognition of donor restriction** – Donor-restricted support whose restrictions are met in the same reporting period are reported as unrestricted support. All other donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. As of June 30, 2011 and 2010, the Corporation had no permanently restricted net assets.

**Restrictions on assets** – Restricted funds are reported as follows:

**Temporarily restricted net assets** – represent resources that have been designated by donors for a specific purpose and/or time in which they may be expended.

**Accounting estimates and assumptions** – 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.

**Expense allocation** – The costs of providing various programs and other services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Cash and cash equivalents** – The Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Restricted cash** – Restricted cash are those amounts externally restricted as to use pursuant to the requirements of the Corporation's contract requirements as described in Note 9.

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**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. Allowances for doubtful accounts in the amounts of \$18,834 and \$18,000 have been established as of June 30, 2011 and 2010, respectively.

**Contributions receivable** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as revenue until the conditions are substantially met.

**Inventory** – Inventory consists of goods held for resale at the Bulldog Shop. All inventories are stated at the lower of cost or market using the average cost method.

**Fixed assets** – Fixed assets are stated at cost less accumulated depreciation. Expenditures over \$5,000 were capitalized for the years ended June 30, 2011 and 2010. The Corporation provides for depreciation over the estimated useful lives of the assets using the straight-line method. Donated fixed assets are recorded at fair market value at the date of donation.

**Investments held in trust** – Investments held in trust are carried at fair value. Investment gains and losses are recorded in the statement of activities. The investments represent amounts contributed to a trust under the terms of a deferred compensation plan. See Note 11 for additional information about the terms of the plan.

**Investments** – Other long-term investments consist primarily of personal seat licenses purchased in the Save Mart Center by the Corporation. Other long-term investments are stated at cost and amortized over the life of the asset which approximates fair value.

**Deferred income** – Deferred income represents gate receipts, as well as other sources of revenue, received during the years ended June 30, 2011 and 2010, but related to operations for the years ended June 30, 2012 and 2011, respectively.

**Income taxes** – The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the corporation's tax-exempt purpose is subject to taxation as unrelated business income.

The Corporation adopted FASB ASC 740 (formerly FIN 48) as of July 1, 2010. There was no cumulative effect on net assets of applying the provisions of ASC 740 as the Corporation had no tax provisions that met the definition of unrecognized tax position.

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

Income tax returns are filed in U.S. federal and state of California jurisdictions. Tax returns remain subject to examination by the U.S. federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination.

**Donated services and materials** –The Corporation receives various donated services and materials from the business community and other University supporters. In some instances, athletic event tickets are awarded to the donor in exchange for services and materials. Fair values of donated services and materials are reported to the donors for purposes of substantiating the contributions (approximately \$1,925,877 and \$1,043,217 for the years ended June 30, 2011 and 2010, respectively). See Note 15.

**Defined benefit pension plan** – As described in Note 10, the corporation participates in a multiple-employer public employee retirement system. The system provides disclosure information in accordance with Governmental Accounting Standards Board Statement (GASB) No. 27. The latest information available from PERS is for the year ended June 30, 2009.

**Accrued Compensated Absences** – Athletic Corporation employees accrue annual leave at rates based upon length of service and job classification, and compensatory time based upon job classification and hours worked. Accrued compensated absences totaled \$1,043,732 and \$1,094,065 for the years ended June 30, 2011 and 2010, respectively. Accrued compensated balances for Athletic Corporation employees totaled \$263,461 and \$274,310 for the years ended June 30, 2011 and 2010, respectively. Accrued compensated balances for State employees working in Athletics totaled \$780,271 and \$819,755 for the years ended June 30, 2011 and 2010, respectively.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at June 30, 2011 and 2010, consist of the following:

	<u>2011</u>	<u>2010</u>
<b>Deposits</b>		
Cash on hand and in banks	\$ 2,023,949	\$ 901,434
<b>Pooled Funds</b>		
State of California Local Agency Investment Fund (LAIF)	87	10,582
	<b><u>\$ 2,024,036</u></b>	<b><u>\$ 912,016</u></b>

Cash balances held in banks are fully insured by the Federal Deposit Insurance Corporation (FDIC) through December 31, 2012. On January 1, 2013, the standard insurance amount will return to \$250,000.

The Corporation at times maintains a substantial amount of cash in the State of California Local Agency Investment Fund ("LAIF"). The funds are pooled with those of other organizations. The pooled funds are carried at cost, which approximates market value. Interest earned is remitted quarterly to the Corporation. Any investment losses are proportionately shared by all participants in the pools.

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**NOTE 3: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2011 and 2010, consist of the following:

	<u>2011</u>	<u>2010</u>
Accounts receivable, general	\$ 1,285,244	\$ 2,042,757
Allowance for doubtful accounts	(18,834)	(16,000)
Accounts receivable, ticketing	2,295	6,965
Allowance for doubtful accounts	-	(2,000)
State support	-	14,795
	<u>\$ 1,268,705</u>	<u>\$ 2,046,517</u>

**NOTE 4: CONTRIBUTIONS RECEIVABLE**

Contributions receivable arising from promises to give for the Duncan/Ricchiuti expansion project and other promises to give for operations consist of the following:

	<u>2011</u>	<u>2010</u>
Due in one year or less	\$ 256,990	\$ 494,254
Less: Allowance for doubtful accounts	(36,704)	(133,080)
	<u>220,286</u>	<u>361,174</u>
Due between one year and five years	170,013	432,973
Less: Discount	(49,518)	(96,798)
	<u>120,495</u>	<u>336,175</u>
	<u>\$ 340,781</u>	<u>\$ 697,349</u>
Current portion	220,286	361,174
Non-Current portion	<u>120,495</u>	<u>336,175</u>
	<u>\$ 340,781</u>	<u>\$ 697,349</u>

The discount rate used to calculate the present value at June 30, 2011 and 2010, is 7.0%.

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**NOTE 5: BUILDINGS AND EQUIPMENT**

Buildings and equipment consist of the following:

	<u>2011</u>	<u>2010</u>
Duncan Building addition & Ricchiuti Academic Center	\$ 5,436,314	\$ 5,436,314
Softball stadium	4,313,594	4,313,594
Facilities and scoreboards	3,576,832	3,414,115
Videoboards at Bulldog stadium and Cedar & Barstow	1,765,361	1,765,361
Strength and conditioning center	1,652,277	1,652,277
Office furniture and equipment	878,832	864,660
Sports equipment	282,147	265,357
Duncan Building video room equipment	595,084	448,095
Computer equipment	147,357	339,615
Vehicles	312,095	312,095
Weight training equipment	180,822	180,822
Bulldog Shop at the Save Mart Center	216,442	216,442
Bulldog Shop	42,623	42,623
Videoboard equipment at the Save Mart Center	46,171	46,171
Website	19,250	19,250
	<u>19,465,201</u>	<u>19,316,791</u>
Less accumulated depreciation	<u>(6,960,651)</u>	<u>(6,355,927)</u>
	12,504,550	12,960,864
Construction in progress	<u>424,660</u>	<u>66,158</u>
	<u><b>\$ 12,929,210</b></u>	<u><b>\$ 13,027,022</b></u>

Construction in progress consists of costs incurred to install synthetic field turf at Bulldog Stadium and to install a scoreboard at the Lacrosse/Soccer field. These projects are expected to be completed in fiscal year 11/12. Prior year, construction in progress related to sky suite upgrades at the Bulldog Stadium and the installation of a sound system at Beiden Stadium. Both projects were completed and capitalized during the year ended June 30, 2011.

Some facilities currently being used by the Corporation's various sports programs are owned by the University. The Corporation may add to or enhance these sports facilities; however, once completed and paid for, additions to these facilities may be donated to the University.

Depreciation expense for the years ended June 30, 2011 and 2010 is \$827,284 and \$800,463, respectively, of which \$552,772 for 2011 and \$535,375 for 2010 is reflected in the project fund on page 34. The remaining portion of depreciation expense is allocated to depreciation expense on page 28 and improvement fund expenditures on page 34.

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**NOTE 6: INVESTMENTS**

**INVESTMENTS HELD IN TRUST**

The Corporation established a Rabbi Trust to set aside funds to satisfy the obligation of the deferred compensation plan described in Note 11. The assets of the trust are subject to the claims of the Corporation's creditors in the event of bankruptcy or insolvency. The trust is irrevocable and no portion of the trust may be used for any purpose other than payments to the beneficiaries according to the deferred compensation agreement. The market value of the trust as of June 30, 2011 and 2010 was \$861,976 and \$642,663, respectively. Included in investment income in the statement of activities were unrealized gains of \$142,296 and \$58,334 for the years ended June 30, 2011 and 2010, respectively.

**OTHER LONG-TERM INVESTMENTS**

Other long-term investments as of June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Save Mart Center Personal Seat Licenses	\$ 211,800	\$ 317,700
Western Athletic Conference Buy-In	<u>-</u>	<u>3,000</u>
	<u>\$ 211,800</u>	<u>\$ 320,700</u>

Save Mart Center Personal Seat Licenses reflect the remaining value of seat licenses. The Corporation purchased 561 seat licenses in the Save Mart Center for men's basketball games. The seats are used for administrative and marketing purposes. The cost of the seats, included in long-term investments, is being amortized over ten years, beginning in the year ended June 30, 2004. The total cost of the seats was \$1,059,000, with annual amortization of \$105,900.

Western Athletic Conference Buy-In reflects the remaining value of the original buy-in of \$60,000 amortized over 20 years.

Amortization is summarized below for the years ended June 30:

	<u>2011</u>	<u>2010</u>
Save Mart Center Personal Seat Licenses	\$ 105,900	\$ 105,900
Western Athletic Conference Buy-In	<u>3,000</u>	<u>3,000</u>
	<u>\$ 108,900</u>	<u>\$ 108,900</u>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2011 AND 2010**

**NOTE 7: FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements (ASC 820), effective for fiscal years beginning after November 15, 2008, 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 priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.
  
- Level 2      Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. 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 following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2011.

*Mutual funds:* Valued at net asset value (NAV) of shares held by the Corporation at year end.

*Contributions receivable:* Valued at the present value of the estimated future cash flows.

*Personal seat licenses:* Valued at amortized cost, which approximates fair value.

*Western Athletic Conference Buy-In:* Valued at amortized cost, which approximates fair value.

*Deferred compensation liability:* Valued at the present value of the future obligation.

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**NOTE 7: FAIR VALUE MEASUREMENTS (Continued)**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are 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.

The following tables set forth by level, within the fair value hierarchy, the Corporation's assets and liabilities at fair value as of June 30, 2011 and 2010:

	<u>June 30, 2011</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds	\$ 861,976	\$ -	\$ -	\$ 861,976
Contributions receivable	-	-	340,781	340,781
Personal seat licenses	-	-	211,800	211,800
Deferred compensation liability	-	-	852,157	852,157
	<u>\$ 861,976</u>	<u>\$ -</u>	<u>\$ 1,404,738</u>	<u>\$ 2,266,714</u>

	<u>June 30, 2010</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds	\$ 642,663	\$ -	\$ -	\$ 642,663
Contributions receivable	-	-	697,349	697,349
Personal seat licenses	-	-	317,700	317,700
Western Athletic Conference Buy-In	-	-	3,000	3,000
Deferred compensation liability	-	-	789,034	789,034
	<u>\$ 642,663</u>	<u>\$ -</u>	<u>\$ 1,807,083</u>	<u>\$ 2,449,746</u>

A summary of changes in the fair value of the Corporation's Level 3 assets and liabilities for the year ended June 30, 2011 is presented below:

	<u>Level 3 Assets and Liabilities</u>			
	<u>Contributions receivable</u>	<u>Personal seat licenses</u>	<u>Western Athletic Conference Buy-In</u>	<u>Deferred compensation liability</u>
Balance, July 1, 2010	\$ 697,349	\$ 317,700	\$ 3,000	\$ 789,034
Amortization	-	(105,900)	(3,000)	-
Payments on pledges	(252,465)	-	-	-
Provision for doubtful accounts	(145,961)	-	-	-
Discount	41,858	-	-	63,123
Balance, June 30, 2011	<u>\$ 340,781</u>	<u>\$ 211,800</u>	<u>\$ -</u>	<u>\$ 852,157</u>

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**NOTE 8: DEPOSITS HELD IN TRUST**

Included in cash are trust account deposits. These deposits consist of monies held on behalf of agencies associated with the Corporation. The Corporation performs collection and disbursement functions on behalf of the agencies.

Deposits held in trust as of June 30, 2011 and 2010 are summarized below:

	<u>2011</u>	<u>2010</u>
Booster clubs – positive balances	\$ 106,227	\$ 110,427
Clinics and camps – positive balances	227,554	203,271
Clinics and camps – negative balances	(187,984)	(99,451)
Trust accounts – positive balances	3,071	3,071
Trust accounts – negative balances	-	(10,564)
	<u>\$ 148,868</u>	<u>\$ 206,754</u>

**NOTE 9: LONG-TERM DEBT**

***Citibank, Note Payable*** - The loan was obtained to construct the softball stadium, the strength and conditioning center and North Gym Annex. The loan balance of \$250,000 was paid during the year ended June 30, 2011.

Interest was charged on unpaid principal balances at a variable interest rate equal to the Prime Rate (as published in the Wall Street Journal (Western Edition)). Interest expense for the years ended June 30, 2011 and 2010 was \$1,580 and \$8,984, respectively.

***Citibank, Line of Credit*** - The loan was obtained to partially finance the construction of the Ricchuiti Academic Center and to complete an expansion of the Duncan Athletic Building. The loan balance of \$269,800 was paid during the year ended June 30, 2011.

Interest was charged on unpaid principal balances at a variable interest rate equal to the Prime Rate (as published in the Wall Street Journal (Western Edition). Interest expense for the years ended June 30, 2011 and 2010 was \$1,378 and \$16,273, respectively.

***Kansas State Bank, Equipment Financing*** – On June 1, 2011 the Corporation entered into an agreement with Kansas State Bank of Manhattan (“the Bank”) to partially finance the installation of synthetic field turf in the Bulldog Stadium. At the execution of the agreement the Bank transferred to the Corporation \$600,000. This amount was deposited into a non-interest bearing account, contractually restricted to pay for the installation of field turf. No funds had been utilized as of June 30, 2011; the total amount is included in restricted cash on the statement of financial position. The contract requires annual payments including interest at 5.1% of \$132,285 beginning June 1, 2011; final payment due June 1, 2015. Interest expense for the year ended June 30, 2011 was \$1,998. The loan is secured by the synthetic field turf at Bulldog Stadium.

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**NOTE 9: LONG-TERM DEBT (Continued)**

*LRS Sports, Software Financing* During the year ended June 30, 2011 the Corporation entered into an agreement to purchase 26 licenses for sports software. The contract required an initial payment of \$43,590 and four annual payments, including interest at 5.0%, for amounts ranging from \$18,000 to \$42,541 beginning on July 1, 2011. Interest expense for the year ended June 30, 2011 was \$1,586.

In addition, the contract requires the Corporation to pay annual support fees of \$15,000 beginning March 1, 2012 through August 31, 2015. Once the initial purchase price is paid, support services can be terminated at any time without affecting the license granted by the agreement.

The following schedule summarizes the outstanding debt as of June 30.

	<u>2011</u>	<u>2010</u>
Citibank, Note Payable	\$ -	\$ 250,000
Citibank, Line of Credit	-	269,800
Kansas State Bank, Equipment Financing	467,715	-
LRS Sports Software Financing	<u>62,444</u>	<u>-</u>
	530,159	519,800
Less current portion	<u>(108,314)</u>	<u>(519,800)</u>
<b>Total long-term debt</b>	<b>\$ <u>421,845</u></b>	<b>\$ <u>-</u></b>

The schedule of maturities of long-term debt is presented below:

<b>For Year Ending June 30,</b>	
2012	\$ 108,314
2013	128,536
2014	143,000
2015	<u>150,309</u>
	<b>\$ <u>530,159</u></b>

**NOTE 10: CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**Plan Description** - The Corporation's defined benefit pension plan ("plan") provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers 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. The Corporation selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through board action. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 "P" Street, Sacramento, California 95814.

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**NOTE 10: CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**Funding Policy** - Active plan members in the plan are required to contribute seven percent (7%) of their annual covered salary. The Corporation is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The Corporation contribution is related only to Athletic Corporation employees. The University covers the cost for University employees working in the Athletic Corporation. The actuarial methods and assumptions used are those adopted by CalPERS' Board of Administration. The required employer contribution rate for the year ended June 30, 2011 was 8.782%. 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.

However, in 2001 the Corporation board elected to reduce the amount of employee contribution to 5%, effective July 1, 2001. The impact of this change was to increase the effective employer contribution rate 2%. Therefore, for the year ended June 30, 2011, the effective employer contribution rate was 10.782%.

**Annual Pension Cost** - For fiscal year 2010/2011 the Corporation's annual pension cost was \$187,501 and the Corporation actually contributed \$187,501. The required contribution for fiscal year 2010/2011 was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service, age and type of employment from 3.55% to 14.45%; (c) payroll growth of 3.25% and; (d) 3.0% inflation. The actuarial value of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over fifteen year periods.

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into the CalPERS Risk Pool. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30-year period with exception to gains and losses in fiscal years 2009 – 2011 in which each year's gain and losses will be isolated and amortized over fixed and declining 30 year periods.. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period. Each year, a single amortization base is created, using the net period for the multiple bases.

**Three-Year Trend Information for the Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 212,487	100%	0
6/30/2008	\$ 223,714	100%	0
6/30/2009	\$ 224,537	100%	0

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**NOTE 10: CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (Continued)**

**Required Supplementary Information – Funded Status of Plan**

The Athletic Corporation is included in a pooled plan as required by California law, as the Corporation has less than 100 active employees. The Corporation's portion of the following pooled information is less than 1%.

Valuation Date	Pooled Accrued Liability	Pooled Actuarial Assets	Pooled Unfunded Liabilities (UL)	Funded Ratio	Pooled Annual Covered Payroll	UL as a % of Payroll
6/30/2007	\$ 2,611,746,790	\$ 2,391,434,447	\$ 220,312,343	91.6%	\$ 665,522,859	33.10%
6/30/2008	\$ 2,780,280,768	\$ 2,547,323,278	\$ 232,957,490	91.6%	\$ 688,606,681	33.83%
6/30/2009	\$ 3,104,798,222	\$ 2,758,511,101	\$ 346,287,121	88.8%	\$ 742,981,488	46.61%

**NOTE 11: DEFERRED COMPENSATION/ANNUITY**

**Deferred Compensation Plan** - The Corporation entered into a deferred compensation agreement with one current employee. The agreement provides for guaranteed payments for twenty (20) years, commencing upon the employee's sixty-second (62) birthday. The obligation is calculated using an eight percent (8%) discount factor to arrive at present value. The present value of the liability as of June 30, 2011 and 2010 amounted to \$852,157 and \$789,034, respectively. The Corporation has contributed to a trust, described in Note 6, to fund this obligation.

**Deferred Annuity Plan** - The Corporation entered into a five-year agreement with another employee in which cash payments of \$100,000 are to be contributed into a deferred account annually beginning on June 30, 2006. The plan vested to the benefit of the employee on March 17, 2011. The plan assets were distributed to the employee on July 1, 2011.

The liability, including payroll burden as of June 30, 2011 and 2010 was \$510,399 and \$537,700, respectively. Deferred annuity expense amounted to (\$27,301) and \$113,000 for the years ended June 30, 2011 and 2010.

Deferred compensation and annuity liabilities as of June 30 are summarized below:

	<u>Ending Balance June 30, 2011</u>	<u>Change in liability</u>	<u>Ending Balance June 30, 2010</u>
<b>Deferred Compensation/Annuity Liability:</b>			
Deferred Compensation	\$ 852,157	\$ 63,123	\$ 789,034
Deferred Annuity	510,399	(27,301)	537,700
<b>Total deferred compensation / annuity liability</b>	<u>\$ 1,362,556</u>	<u>\$ 35,822</u>	<u>\$ 1,326,734</u>

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**NOTE 12: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2011 and 2010 are a result of time restrictions for seat options, utilization of First Team pledges, utilization of Bulldog Stadium field turf donations, and utilization of Duncan/Ricchiuti expansion donations. First team pledges are recognized as revenue when the pledge is made, as the pledges are collected and expended on athletic aid these funds are released from restriction. The release of Bulldog Stadium field turf donations and Duncan/Ricchiuti expansion donations occurs as funds are expended for the construction project and the corresponding debt.

	<u>2011</u>	<u>2010</u>
Bulldog Stadium field turf project	\$ 227,364	\$ -
Duncan/Ricchiuti expansion project	-	168,224
First Team	10,280	62,800
Seat options	-	5,010
	<u>\$ 237,644</u>	<u>\$ 236,034</u>

During the year ended June 30, 2011 it was determined that receivables for the Duncan/Ricchiuti expansion project and seat options of \$168,224 and \$5,010, respectively, were not collectible and therefore were written off. These amounts are included below as released from restriction.

Net assets released from restriction during the years ended June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Bulldog Stadium field turf project	\$ 542,636	\$ -
Duncan/Ricchiuti expansion project	368,224	325,065
First Team	54,632	42,250
Seat options	5,010	-
	<u>\$ 970,502</u>	<u>\$ 367,315</u>

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**NOTE 13: RELATED PARTIES**

Salaries of certain Corporation management, coaches and support personnel and other expenses are paid by the University as part of its basic funding commitment to athletics. State salary costs in excess of the University's basic funding commitment are reimbursed to the University. The salary funding commitment and other income from the University are included in contributions revenue in the statements of activities.

During the years ended June 30, 2011 and 2010, the Corporation had the following transactions with the University as part of the basic funding commitment:

	<u>2011</u>	<u>2010</u>
Funded by the University		
Salary commitments	\$ 4,155,117	\$ 3,504,632
WAC dues	<u>27,000</u>	<u>-</u>
	<u>\$ 4,182,117</u>	<u>\$ 3,504,632</u>
Reimbursed to the University		
Salary commitments	<u>\$ 295,000</u>	<u>\$ 280,000</u>

During the years ended June 30, 2011 and 2010, the Corporation paid the University \$95,223 and \$99,635, respectively, for accounting and human resources services provided.

Facilities Lease – California State University, Fresno leases the following athletic facilities and offices to the Athletic Corporation:

- Portions of the North Gym, Portions of the South Gym, North Gym Annex, Equestrian Arena, Baseball Stadium, Football Stadium, Tennis Courts, Track Facility, and Duncan Building.

The lease is for the term beginning July 1, 2009 through June 30, 2013. The Trustees made this lease in consideration for the agreement of the lessee to provide intercollegiate athletic activities in support of the educational mission of the University. Therefore, no annual cash payments are made to the University relative to this lease.

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**NOTE 13: RELATED PARTIES (Continued)**

The Corporation receives financial support through a special augmentation from student referendum fees charged to all students enrolled at the University. The amounts received during fiscal years ended June 30, 2011 and 2010, are as follows:

	<u>2011</u>	<u>2010</u>
Student fees	<u>\$ 1,620,713</u>	<u>\$ 1,575,551</u>

The Corporation receives financial support from the Bulldog Foundation and outside booster groups whose principal activities are to help fund University athletic scholarships and to enhance sport programming. The Corporation receives virtually all of the monies generated from the Bulldog Foundation and booster groups (net of fundraising expenses and operating reserves).

During the years ended June 30, 2011 and 2010, the Corporation received the following from the Bulldog Foundation and booster groups:

	<u>2011</u>	<u>2010</u>
Bulldog Foundation		
Contributions		
Annual Fund Drive	\$ 2,313,117	\$ 2,739,348
Scholarship Endowment	2,321,353	1,434,971
Duncan/Ricchiuti expansion project	<u>200,000</u>	<u>200,000</u>
Total Contributions	4,834,470	4,174,319
Ticket and parking revenue	<u>2,380,737</u>	<u>2,585,467</u>
	7,215,207	6,759,786
Booster groups	<u>977,129</u>	<u>359,484</u>
	<u>\$ 8,192,336</u>	<u>\$ 7,119,270</u>

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**NOTE 13: RELATED PARTIES (Continued)**

The Bulldog Foundation has established an endowment fund primarily to ensure future athletic scholarships. The activity in the endowment fund during the years ended June 30, 2011 and 2010 is presented below.

	<u>2011</u>	<u>2010</u>
Endowment Fund Net Assets, July 1	\$ 8,795,850	\$ 8,873,231
Investment income, net of expenses	240,384	256,602
Unrealized gains	2,023,108	1,098,502
Contributions	<u>1,775</u>	<u>2,486</u>
<b>Total revenue and gains</b>	<u>2,265,267</u>	<u>1,357,590</u>
2.5% endowment interest distribution	(253,314)	(256,192)
Assets released from restriction	(23,039)	(41,702)
Annual fund shortfall distribution to meet scholarship costs	<u>(2,045,000)</u>	<u>(1,137,077)</u>
<b>Total distributions</b>	<u>(2,321,353)</u>	<u>(1,434,971)</u>
Endowment Fund Net Assets, June 30	<u>\$ 8,739,764</u>	<u>\$ 8,795,850</u>

**NOTE 14: OPERATING LEASES**

Operating leases consist primarily of leases for the use of real property and modular units that have terms expiring in fiscal year 2012.

- Bulldog Shop – The Corporation has a five-year lease for the building that houses the Bulldog Shop, commencing January 1, 2002. The lease was extended for five years commencing January 1, 2007. Monthly rent for the first two years of the extension was \$5,565 per month and increased to \$5,903, effective January 1, 2009. Rental expense for the Bulldog Shop was \$70,836 for the years ended June 30, 2011 and 2010.
- Equestrian Modular Units – The Corporation entered into three separate 36 month leases commencing January 2006 on modular units housing the equestrian office, locker room, and showers. The leases were extended for three years commencing January 2009. Monthly rent is \$685 for the locker unit, \$1,193 for the office unit, and \$525 for the shower unit. Annual lease expense amounted to \$28,836 for the years ended June 30, 2011 and 2010.
- Tennis Modular Unit – The Corporation entered into an agreement to lease a modular unit for 36 months commencing December 20, 2008. Monthly rent is \$375. Annual lease expense amounted to \$4,500 for the years ended June 30, 2011 and 2010.

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**NOTE 15: TRADE AGREEMENTS**

The Athletic Corporation enters into trade agreements in which vendors are awarded BDF memberships and/or tickets in exchange for services and materials. The trade agreements benefit both the Athletic Corporation and the Bulldog Foundation. The trades benefit the Athletic Corporation through hotel rooms and meals for recruiting and courtesy cars for coaches and administrators. The discrepancy of revenue and expenses represents timing differences resulting from ticket trade balances for capitalized construction and improvements. Trade revenue is recognized as tickets are issued.

The following is a schedule of trade revenue and expenses for the years ended June 30:

	<u>2011</u>	<u>2010</u>
<b>Trade-out Revenue</b>		
- Donation	\$ 986,354	\$ 319,936
- Tickets - M Baseball	37,424	9,900
- Tickets - M Basketball	362,054	319,816
- Tickets - M Football	391,070	334,535
- Tickets - W Basketball	9,600	37,050
- Ticket - W Softball	42,900	3,600
- Ticket - W Soccer	-	1,100
- Ticket - W Volleyball	1,100	1,100
- Tickets - All Sports Pass	7,910	12,070
- Marketing	83,070	1,230
- Parking Pass	4,395	2,880
<b>TOTAL TRADE REVENUE</b>	<u>1,925,877</u>	<u>1,043,217</u>
<b>Trade-out Expenses</b>		
- Administrative	73,696	83,625
- Facilities	76,251	63,588
- Marketing/Media Production	851,734	627,427
- Pep Squad	15,350	-
- M Football	10,820	38,250
- M Golf	10,500	9,250
- W Golf	10,500	9,250
- Training	699,777	47,517
- Courtesy Car	164,000	164,000
<b>TOTAL TRADE-OUT EXPENSE</b>	<u>1,912,628</u>	<u>1,042,907</u>
<b>TRADE-OUT NET</b>	<u>\$ 13,249</u>	<u>\$ 310</u>

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**NOTE 16: SELF-FUNDED ATHLETIC INJURY RISK POOL**

Effective August 1, 1997, the Athletic Corporation entered into a Joint Exercise of Powers Agreement and a Participation Agreement for the Athletic Injury Medical Expense Program Self-Funded Risk Pool. The Pool provides coverage for athletic injuries up to a maximum of \$90,000 per injury. This insurance is secondary to the athletes' individual medical policies but becomes primary if no other coverage is available. Annual premiums for the years ended June 30, 2011 and 2010 were \$448,080 and \$248,887, respectively. The NCAA provides coverage for catastrophic injuries in excess of \$90,000.

**NOTE 17: LINE OF CREDIT**

In May 2011 the Corporation obtained a line of credit with Citibank, N.A. to assist with temporary cash flow. The line of credit was \$1,500,000 and expires on September 30, 2011. Terms of the credit agreement state that advances on the line of credit are subject to the greater of the Citibank prime rate or the minimum interest rate as determined by the bank. There was no outstanding balance at June 30, 2011.

**NOTE 18: COMMITMENTS**

On May 26, 2011 the Corporation entered into an agreement for \$1,173,000 with Atlas Tracks, Inc. to install synthetic field turf at Bulldog Stadium. As of June 30, 2011, the Corporation had incurred costs related to the project amounting to \$419,035. Additional costs to complete the project are expected to be approximately \$840,000, which includes costs associated with the installation agreement and additional costs for project management. The remaining cost will be financed internally and from a loan from Kansas State Bank of Manhattan. See Note 9.

**NOTE 19: SUBSEQUENT EVENTS**

As of September 22, 2011 (date financial statements available to be issued) no other matters requiring disclosure in the financial statements for the year ended June 30, 2011 have been noted.

**CALIFORNIA STATE UNIVERSITY, FRESNO  
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SUMMARY OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Contributions	\$ 4,922,391	\$ 4,493,417	\$ 428,974
Game Revenue	7,495,544	7,682,872	(187,328)
Student Fees (Note 13)	1,620,713	1,572,551	48,162
Marketing	2,325,102	2,188,663	136,439
NCAA/Conference	2,707,173	2,375,168	332,005
Other Revenues	1,241,315	1,037,011	204,304
University Support	4,154,670	3,514,882	639,788
Trade-outs (Note 15)	1,925,877	1,043,217	882,660
<b>Total Operating Revenues</b>	<u>26,392,785</u>	<u>23,907,781</u>	<u>2,485,004</u>
 <b>OPERATING EXPENDITURES</b>			
Athletic Aid	4,775,141	4,313,246	461,895
Marketing	185,061	154,484	30,577
Event Operations	1,441,775	1,326,723	115,052
General Administrative	3,268,315	3,026,173	242,142
Depreciation & Amortization	357,576	342,440	15,136
Recruiting	286,374	277,923	8,451
Salaries & Benefits	9,527,737	9,714,421	(186,684)
Team Expense	4,097,572	3,729,504	368,068
Athletic Communications/Production Services	182,979	202,838	(19,859)
Trade-outs (Note 15)	1,912,628	1,042,907	869,721
<b>Total Operating Expenditures</b>	<u>26,035,158</u>	<u>24,130,659</u>	<u>1,904,499</u>
 <b>OPERATING NET</b>	<u>\$ 357,627</u>	<u>\$ (222,878)</u>	<u>580,505</u>
 <b>IMPROVEMENT FUND NET (page 34)</b>	<u>\$ (40,323)</u>	<u>\$ (43,347)</u>	<u>3,024</u>
 <b>PROJECT FUND NET (page 34)</b>	<u>\$ 796,734</u>	<u>\$ 58,779</u>	<u>737,955</u>
 <b>INCREASE (DECREASE) IN NET ASSETS PER STATEMENTS OF ACTIVITIES</b>	<u>\$ 1,114,038</u>	<u>\$ (207,446)</u>	<u>\$ 1,321,484</u>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
<b>Contributions</b>			
Bulldog Foundation (Note 13)	\$ 4,634,470	\$ 4,174,319	\$ 460,151
Donations	287,921	319,098	(31,177)
Total Contributions	<u>4,922,391</u>	<u>4,493,417</u>	<u>428,974</u>
<b>Game Revenue</b>			
Gate Receipts - Men			
Gate Receipts - Baseball	227,893	216,285	11,608
Gate Receipts - Basketball	1,178,337	1,531,151	(352,814)
Gate Receipts - Football	5,009,810	4,360,619	649,191
Gate Receipts - Tennis	-	1,108	(1,108)
Gate Receipts - Women			
Gate Receipts - Basketball	38,714	56,559	(17,845)
Gate Receipts - Soccer	-	28,276	(28,276)
Gate Receipts - Softball	89,467	81,151	8,316
Gate Receipts - Volleyball	11,027	6,228	4,799
Gate Receipts - Lacrosse	-	1,156	(1,156)
Guarantees			
Guarantees - Football	210,000	925,000	(715,000)
Guarantees - Other	150,030	28,090	121,940
Concessions	190,998	148,213	42,785
Parking Income	389,268	299,036	90,232
Total Game Revenue	<u>7,495,544</u>	<u>7,682,872</u>	<u>(187,328)</u>
<b>Student Fees</b>			
Student Fees (Note 13)	<u>1,620,713</u>	<u>1,572,551</u>	<u>48,162</u>
<b>Marketing</b>			
Marketing Income	<u>2,325,102</u>	<u>2,188,663</u>	<u>136,439</u>
<b>NCAA/Conference</b>			
Conference Income	1,667,752	1,473,454	194,298
NCAA Shares	1,039,421	901,714	137,707
Total NCAA/Conference	<u>2,707,173</u>	<u>2,375,168</u>	<u>332,005</u>
<b>Other Revenues</b>			
Bulldog Shop (net of cost of goods sold)	489,378	501,565	(12,187)
Facilities Rental Income	25,271	8,434	16,837
Handling Charges	113,812	104,807	9,005
Investment Income	160,959	77,824	83,135
Miscellaneous	419,020	311,134	107,886
Summer Camps Service Fees	32,875	33,247	(372)
Total Other Revenues	<u>1,241,315</u>	<u>1,037,011</u>	<u>204,304</u>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

**OPERATING REVENUES (Continued)**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>University Support</b>			
University Support	4,154,670	3,514,882	639,788
<b>Trade-outs (Note 15)</b>			
Trade-outs	1,925,877	1,043,217	882,660
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 26,392,785</b>	<b>\$ 23,907,781</b>	<b>\$ 2,485,004</b>

**OPERATING EXPENDITURES  
NON-SPORTS EXPENDITURES**

**Academic/Student Athlete Services**

- General Administrative	53,252	40,665	12,587
- Salaries & Benefits	212,856	229,251	(16,395)
<b>Total Academic/Student Athlete Services</b>	<b>266,108</b>	<b>269,916</b>	<b>(3,808)</b>

**Administration**

- Depreciation (Note 5)	248,676	233,540	15,136
- Amortization (Note 6)	108,900	108,900	-
- General Administrative	1,019,006	1,003,982	15,024
- Salaries & Benefits	1,218,099	1,205,425	12,674
<b>Total Administration</b>	<b>2,594,681</b>	<b>2,551,847</b>	<b>42,834</b>

**Bad Debt Expense**

- General Administrative	21,373	87,166	(65,793)
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**Bulldog Shop**

- General Administrative	456,496	450,757	5,739
- Salaries & Benefits	154,009	150,233	3,776
<b>Total Bulldog Shop</b>	<b>610,505</b>	<b>600,990</b>	<b>9,515</b>

**Compliance**

- General Administrative	12,794	6,501	6,293
- Salaries & Benefits	120,676	149,690	(29,014)
<b>Total Compliance</b>	<b>133,470</b>	<b>156,191</b>	<b>(22,721)</b>

**Development**

- General Administrative	13,117	-	13,117
- Salaries & Benefits	92,609	93,101	(492)
<b>Total Development</b>	<b>105,726</b>	<b>93,101</b>	<b>12,625.00</b>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

**OPERATING EXPENDITURES**

**NON-SPORTS EXPENDITURES (Continued)**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>Equipment Rooms</b>			
- General Administrative	53,071	54,388	(1,317)
- Salaries & Benefits	161,951	162,136	(185)
<b>Total Equipment Rooms</b>	<b>215,022</b>	<b>216,524</b>	<b>(1,502)</b>
<b>Facilities</b>			
- General Administrative	380,088	402,509	(22,421)
- Salaries & Benefits	396,629	412,319	(15,690)
<b>Total Facilities</b>	<b>776,717</b>	<b>814,828</b>	<b>(38,111)</b>
<b>Game Operations</b>			
- Event Operations	1,441,775	1,326,723	115,052
- Salaries & Benefits	58,000	43,569	14,431
<b>Total Game Operations</b>	<b>1,499,775</b>	<b>1,370,292</b>	<b>129,483</b>
<b>Insurance</b>			
- General Administrative	<b>724,830</b>	<b>494,248</b>	<b>230,582</b>
<b>Marketing</b>			
- Marketing	185,061	154,484	30,577
- Salaries & Benefits	149,519	165,989	(16,470)
<b>Total Marketing</b>	<b>334,580</b>	<b>320,473</b>	<b>14,107</b>
<b>Pep Band/Pep Squad</b>			
- Athletic Aid	-	9,990	(9,990)
- General Administrative	50,102	36,101	14,001
<b>Total Pep Band/Pep Squad</b>	<b>50,102</b>	<b>46,091</b>	<b>4,011</b>
<b>Athletic Communications</b>			
- Athletic Communications	89,573	83,820	5,753
- Salaries & Benefits	261,107	274,285	(13,178)
<b>Total Athletic Communications</b>	<b>350,680</b>	<b>358,105</b>	<b>(7,425)</b>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

**OPERATING EXPENDITURES**

**NON-SPORTS EXPENDITURES (Continued)**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>Production Services</b>			
- Production Services	93,406	119,018	(25,612)
- Salaries & Benefits	143,963	159,972	(16,009)
<b>Total Production Services</b>	<u>237,369</u>	<u>278,990</u>	<u>(41,621)</u>
<b>Ticket Office</b>			
- General Administrative	230,938	201,865	29,073
- Salaries & Benefits	173,029	164,431	8,598
<b>Total Ticket Office</b>	<u>403,967</u>	<u>366,296</u>	<u>37,671</u>
<b>Training Room</b>			
- Athletic Aid	60,198	47,869	12,329
- General Administrative	209,723	210,001	(278)
- Salaries & Benefits	372,574	361,722	10,852
<b>Total Training Room</b>	<u>642,495</u>	<u>619,592</u>	<u>22,903</u>
<b>Trade-outs (Note 15)</b>			
- Trade-outs	<u>1,912,628</u>	<u>1,042,907</u>	<u>869,721</u>
<b>Weight Room/Strength &amp; Conditioning</b>			
- General Administrative	43,525	37,990	5,535
- Salaries & Benefits	173,484	205,930	(32,446)
<b>Total Weight Room</b>	<u>217,009</u>	<u>243,920</u>	<u>(26,911)</u>
<b>TOTAL NON-SPORT EXPENDITURES</b>	<u>11,097,037</u>	<u>9,931,477</u>	<u>1,165,560</u>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

**OPERATING EXPENDITURES**

**MEN'S SPORTS EXPENDITURES**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>Men's Baseball</b>			
- Athletic Aid	186,024	172,427	13,597
- Recruiting	23,428	23,402	26
- Salaries & Benefits	356,727	327,269	29,458
- Team Expense	265,649	281,128	(15,479)
<b>Total Men's Baseball</b>	<u><b>831,828</b></u>	<u><b>804,226</b></u>	<u><b>27,602</b></u>
<b>Men's Basketball</b>			
- Athletic Aid	276,372	240,221	36,151
- Recruiting	49,251	40,887	8,364
- Salaries & Benefits	797,142	909,713	(112,571)
- Team Expense	278,560	325,226	(46,666)
<b>Total Men's Basketball</b>	<u><b>1,401,325</b></u>	<u><b>1,516,047</b></u>	<u><b>(114,722)</b></u>
<b>Men's Cross Country</b>			
- Team Expense	32,549	25,968	6,581
<b>Total Men's Cross Country</b>	<u><b>32,549</b></u>	<u><b>25,968</b></u>	<u><b>6,581</b></u>
<b>Men's Football</b>			
- Athletic Aid	1,485,067	1,353,955	131,112
- Recruiting	99,629	92,970	6,659
- Salaries & Benefits	2,504,379	2,386,884	117,495
- Team Expense	1,864,366	1,505,418	358,948
<b>Total Men's Football</b>	<u><b>5,953,441</b></u>	<u><b>5,339,227</b></u>	<u><b>614,214</b></u>
<b>Men's Golf</b>			
- Athletic Aid	69,541	59,598	9,943
- Recruiting	1,682	1,332	350
- Salaries & Benefits	93,398	95,637	(2,239)
- Team Expense	59,632	66,134	(6,502)
<b>Total Men's Golf</b>	<u><b>224,253</b></u>	<u><b>222,701</b></u>	<u><b>1,552</b></u>
<b>Men's Tennis</b>			
- Athletic Aid	111,172	129,327	(18,155)
- Recruiting	6,615	5,399	1,216
- Salaries & Benefits	69,869	129,339	(59,470)
- Team Expense	100,968	79,330	21,638
<b>Total Men's Tennis</b>	<u><b>288,624</b></u>	<u><b>343,395</b></u>	<u><b>(54,771)</b></u>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

**OPERATING EXPENDITURES**

**MEN'S SPORTS EXPENDITURES (Continued)**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>Men's Track</b>			
- Athletic Aid	172,422	139,490	32,932
- Recruiting	2,818	3,515	(697)
- Salaries & Benefits	124,876	112,399	12,477
- Team Expense	86,741	84,993	1,748
<b>Total Men's Track</b>	<u>386,857</u>	<u>340,397</u>	<u>46,460</u>
<b>Total Men's Sports Expenditures</b>	<u>9,118,877</u>	<u>8,591,961</u>	<u>526,916</u>

**OPERATING EXPENDITURES**

**WOMEN'S SPORTS EXPENDITURES**

**Women's Basketball**

- Athletic Aid	358,171	331,360	26,811
- Recruiting	40,625	38,441	2,184
- Salaries & Benefits	433,105	438,612	(5,507)
- Team Expense	211,716	225,756	(14,040)
<b>Total Women's Basketball</b>	<u>1,043,617</u>	<u>1,034,169</u>	<u>9,448</u>

**Women's Cross Country**

- Recruiting	-	850	(850)
- Team Expense	35,076	32,695	2,381
<b>Total Women's Cross Country</b>	<u>35,076</u>	<u>33,545</u>	<u>1,531</u>

**Women's Equestrian**

- Athletic Aid	257,965	246,966	10,999
- Recruiting	1,300	1,774	(474)
- Salaries & Benefits	142,159	172,522	(30,363)
- Team Expense	181,823	187,918	(6,095)
<b>Total Women's Equestrian</b>	<u>583,247</u>	<u>609,180</u>	<u>(25,933)</u>

**Women's Golf**

- Athletic Aid	122,010	131,000	(8,990)
- Recruiting	3,055	2,715	340
- Salaries & Benefits	67,363	61,764	5,599
- Team Expense	63,827	57,563	6,264
<b>Total Women's Golf</b>	<u>256,255</u>	<u>253,042</u>	<u>3,213</u>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

**OPERATING EXPENDITURES**

**WOMEN'S SPORTS EXPENDITURES (Continued)**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>Women's Lacrosse</b>			
- Athletic Aid	248,786	153,701	95,085
- Recruiting	8,968	9,299	(331)
- Salaries & Benefits	145,300	166,872	(21,572)
- Team Expense	126,985	125,886	1,099
<b>Total Women's Lacrosse</b>	<b>530,039</b>	<b>455,758</b>	<b>74,281</b>
<b>Women's Soccer</b>			
- Athletic Aid	210,515	215,138	(4,623)
- Recruiting	2,934	11,826	(8,892)
- Salaries & Benefits	174,313	170,927	3,386
- Team Expense	130,835	113,808	17,027
<b>Total Women's Soccer</b>	<b>518,597</b>	<b>511,699</b>	<b>6,898</b>
<b>Women's Softball</b>			
- Athletic Aid	207,778	200,682	7,096
- Recruiting	15,640	12,531	3,109
- Salaries & Benefits	326,074	323,594	2,480
- Team Expense	190,262	185,224	5,038
<b>Total Women's Softball</b>	<b>739,754</b>	<b>722,031</b>	<b>17,723</b>
<b>Women's Swimming</b>			
- Athletic Aid	267,762	194,623	73,139
- Recruiting	9,374	9,501	(127)
- Salaries & Benefits	171,367	163,113	8,254
- Team Expense	101,570	92,240	9,330
<b>Total Women's Swimming</b>	<b>550,073</b>	<b>459,477</b>	<b>90,596</b>
<b>Women's Tennis</b>			
- Athletic Aid	221,476	243,323	(21,847)
- Recruiting	2,199	3,681	(1,482)
- Salaries & Benefits	72,981	127,134	(54,153)
- Team Expense	100,698	68,687	32,011
<b>Total Women's Tennis</b>	<b>397,354</b>	<b>442,825</b>	<b>(45,471)</b>
<b>Women's Track</b>			
- Athletic Aid	293,662	241,710	51,952
- Recruiting	6,073	7,118	(1,045)
- Salaries & Benefits	124,876	118,649	6,227
- Team Expense	127,012	120,655	6,357
<b>Total Women's Track</b>	<b>551,623</b>	<b>488,132</b>	<b>63,491</b>

**CALIFORNIA STATE UNIVERSITY, FRESNO  
ATHLETIC CORPORATION  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEARS ENDED JUNE 30**

**OPERATING EXPENDITURES**

**WOMEN'S SPORTS EXPENDITURES (Continued)**

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
<b>Women's Volleyball</b>			
- Athletic Aid	226,220	201,866	24,354
- Recruiting	12,783	12,682	101
- Salaries & Benefits	235,303	231,940	3,363
- Team Expense	139,303	150,875	(11,572)
<b>Total Women's Volleyball</b>	<b>613,609</b>	<b>597,363</b>	<b>16,246</b>
<b>Total Women's Sports Expenditures</b>	<b>5,819,244</b>	<b>5,607,221</b>	<b>212,023</b>
 <b>TOTAL OPERATING EXPENDITURES</b>	 <b>26,035,158</b>	 <b>24,130,659</b>	 <b>1,904,499</b>
 <b>OPERATING NET</b>	 <b>357,627</b>	 <b>(222,878)</b>	 <b>580,505</b>
 <b>IMPROVEMENT FUND ACTIVITY</b>			
- Revenues	19,733	35,454	(15,721)
- Expenses	60,056	78,801	(18,745)
<b>IMPROVEMENT FUND NET</b>	<b>(40,323)</b>	<b>(43,347)</b>	<b>3,024</b>
 <b>PROJECT FUND ACTIVITY</b>			
- Duncan/Ricchiuti Expansion Donations	200,000	205,049	(5,049)
- Facility Donations	800,000	116,429	683,571
- Sky Suite Leases	355,780	290,775	65,005
- Facility Fees	274,597	243,803	30,794
Total Revenues	1,630,377	856,056	774,321
<b>Project Fund Expenses</b>			
- Bad Debt Expense	129,554	22,201	107,353
- Donation Expense	92,194	93,101	(907)
- Facility Improvements Expense	54,167	86,911	(32,744)
- Interest Expense	4,956	25,257	(20,301)
- Loss on disposal of equipment	-	34,432	(34,432)
- Depreciation Expense (Note 5)	552,772	535,375	17,397
Total Expenses	833,643	797,277	36,366
<b>PROJECT FUND NET</b>	<b>796,734</b>	<b>58,779</b>	<b>737,955</b>
<b>INCREASE (DECREASE) IN NET ASSETS PER STATEMENTS OF ACTIVITIES</b>	<b>\$ 1,114,038</b>	<b>\$ (207,446)</b>	<b>\$ 1,321,484</b>

**ADDITIONAL INFORMATION FOR CALIFORNIA STATE UNIVERSITY  
SYSTEM-WIDE FINANCIAL REPORTING**

**California State University, Fresno Athletic Corporation**  
Schedule of Net Assets  
June 30, 2011  
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,023,949
Short-term investments	600,087
Accounts receivable, net	1,268,705
Pledges receivable, net	220,286
Prepaid expenses and other assets	423,959
Total current assets	<u>4,536,986</u>
Noncurrent assets:	
Pledges receivable, net	120,495
Other long-term investments	1,073,776
Capital assets, net	12,929,210
Total noncurrent assets	<u>14,123,481</u>
Total assets	<u><u>18,660,467</u></u>
Liabilities:	
Current liabilities:	
Accounts payable	235,871
Accrued salaries and benefits payable	1,837,853
Accrued compensated absences— current portion	260,933
Deferred revenue	3,113,287
Long-term debt obligations – current portion	108,314
Total current liabilities	<u>5,556,258</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	782,799
Long-term debt obligations, net of current portion	421,845
Depository accounts	148,868
Total noncurrent liabilities	<u>1,353,512</u>
Total liabilities	<u>6,909,770</u>
Net assets:	
Invested in capital assets, net of related debt	12,399,051
Restricted for expendable:	
Expendable:	
Capital projects	227,364
Other	10,280
Unrestricted	(885,998)
Total net assets	<u>11,750,697</u>
Total liabilities and net assets	<u>\$ 18,660,467</u>

See accompanying independent auditors' report.

**California State University, Fresno Athletic Corporation**  
Schedule of Revenues, Expenses, and Changes in Net Assets  
Year Ended June 30, 2011  
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$0)	\$ 1,620,713
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	15,553,785
Total operating revenues	<u>17,174,498</u>
Expenses:	
Operating expenses:	
Operation and maintenance of plant	776,717
Student grants and scholarships	4,775,141
Auxiliary enterprise expenses	20,433,090
Depreciation and amortization	936,184
Total operating expenses	<u>26,921,132</u>
Operating income (loss)	<u>(9,746,634)</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	4,154,670
Gifts, noncapital	5,552,768
Investment income, net	160,959
Interest expenses	(7,725)
Net nonoperating revenues (expenses)	<u>9,860,672</u>
Income before other additions	114,038
Grants and gifts, capital	<u>1,000,000</u>
Increase in net assets	1,114,038
Net assets:	
Net assets at beginning of year	<u>10,636,659</u>
Net assets at end of year	<u>\$ 11,750,697</u>

See accompanying independent auditors' report.

**California State University, Fresno Athletic Corporation**  
**Other Information**  
**June 30, 2011**  
(for inclusion in the California State University)

**1 Restricted cash and cash equivalents at June 30, 2011:**

Not applicable

**2.1 Composition of investments at June 30, 2011:**

	<u>Current</u>	<u>Current</u>	<u>Total</u>	<u>Noncurrent</u>	<u>Noncurrent</u>	<u>Total</u>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Current</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Noncurrent</u>	<u>Total</u>
State of California Local Agency Investment Fund (LAIF)	\$ 87	-	87				\$ 87
Kansas State Bank of Manhattan	-	600,000	600,000				600,000
Other investments:							
Investments held in trust				-	861,976	861,976	861,976
Save Mart Center Seat Licenses				211,800	-	211,800	211,800
<b>Total investments</b>	<u>\$ 87</u>	<u>600,000</u>	<u>600,087</u>	<u>211,800</u>	<u>861,976</u>	<u>1,073,776</u>	<u>\$ 1,673,863</u>

**2.2 Investments held by the University under contractual agreements at June 30, 2011:**

Not applicable

**2.3 Restricted current investments at June 30, 2011 related to:**

	<u>Amount</u>
Amount held by Kansas State Bank of Manhattan to pay costs associated with the installation of synthetic field turf.	\$ <u>600,000</u>

**2.4 Restricted noncurrent investments at June 30, 2011 related to:**

	<u>Amount</u>
Mutual funds held in trust	\$ <u>861,976</u>

See accompanying independent auditors' report.

**California State University, Fresno Athletic Corporation**  
**Other Information**  
**June 30, 2011**  
(for inclusion in the California State University)

**3.1 Composition of capital assets at June 30, 2011:**

	Balance June 30, 2010	Reclass.	Balance June 30, 2010	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2011
<b>Nondepreciable capital assets</b>							
Construction Work in Progress (CWIP)	\$ 66,158	-	66,158	424,660		(66,158)	\$ 424,660
Total nondepreciable capital assets	66,158	-	66,158	424,660	-	(66,158)	424,660
<b>Depreciable/amortizable capital assets</b>							
Buildings and building improvements	12,286,719		12,286,719	17,823		38,363	12,342,905
Improvements, other than buildings	963,168		963,168	106,530			1,069,698
Leasehold improvements	440,737		440,737				440,737
Personal property:			-				
Equipment	5,597,688		5,597,688	44,353	(233,443)	27,795	5,436,393
Intangible assets							
Software and websites	28,479		28,479	146,989			175,468
Total depreciable/amortizable capital assets	19,316,791	-	19,316,791	315,695	(233,443)	66,158	19,465,201
Total capital assets	19,382,949	-	19,382,949	740,355	(233,443)	-	19,889,861
<b>Less accumulated depreciation/amortization:</b>							
Buildings and building improvements	(2,866,806)		(2,866,806)	(342,964)			(3,209,770)
Improvements, other than buildings	(266,560)		(266,560)	(67,742)			(334,302)
Leasehold improvements	(175,162)		(175,162)	(13,272)			(188,434)
Personal property:							
Equipment	(3,018,920)		(3,018,920)	(386,974)	222,560		(3,183,334)
Intangible assets:							
Software and websites	(28,479)		(28,479)	(16,332)			(44,811)
Total accumulated depreciation/amortization	(6,355,927)	-	(6,355,927)	(827,284)	222,560	-	(6,960,651)
Total capital assets, net	\$ 13,027,022	-	13,027,022	(86,929)	(10,883)	-	\$ 12,929,210

**3.2 Detail of depreciation and amortization expense for the year ended June 30, 2011:**

Depreciation and amortization expense related to capital assets	\$ 827,284
Amortization expense related to other assets	108,900
Total depreciation and amortization	\$ 936,184

See accompanying independent auditors' report.

**California State University, Fresno Athletic Corporation**  
**Other Information**  
**June 30, 2011**  
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**4 Long-term liabilities activity schedule:**

	Balance			Balance			Long-term portion	Current portion
	June 30, 2010	Additions	Reductions	June 30, 2011				
Accrued compensated absences	\$ 1,094,065	\$ 575,257	\$ (625,590)	\$ 1,043,732	\$ 782,799	\$ 260,933		
Capitalized lease obligations								
Gross balance								
Total capitalized lease obligations	-	-	-	-	-	-		
Long-term debt obligations:								
Commercial Paper	519,800	-	(519,800)	-				
Equipment Financing	-	746,989	(216,830)	530,159	421,845	108,314		
Total long-term debt obligations	519,800	746,989	(736,630)	530,159	421,845	108,314		
Total long-term liabilities	\$ 1,613,865	\$ 1,322,246	\$ (1,362,220)	\$ 1,573,891	\$ 1,204,644	\$ 369,247		

**5 Future minimum lease payments-capital lease obligations:**

Not applicable

**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:									
2012				108,314	23,970	132,284	108,314	23,970	132,284
2013				128,536	21,956	150,492	128,536	21,956	150,492
2014				143,000	14,993	157,993	143,000	14,993	157,993
2015				150,309	7,683	157,992	150,309	7,683	157,992
Total	\$ -	\$ -	\$ -	\$ 530,159	\$ 68,602	\$ 598,761	\$ 530,159	\$ 68,602	\$ 598,761

See accompanying independent auditors' report.

**California State University, Fresno Athletic Corporation**  
**Other Information**  
**June 30, 2011**  
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**7 Calculation of net assets**

**7.1 Calculation of net assets - Invested in capital assets, net of related debt**

	<u>Auxiliary Organizations</u>	
	<u>GASB</u>	<u>FASB</u>
Capital assets, net of accumulated depreciation	\$ -	\$ 12,929,210
Capital lease obligations - current portion	-	-
Capital lease obligations, net of current portion	-	-
Long-term debt obligations - current portion	-	(108,314)
Long-term debt obligations, net of current portion	-	(421,845)
Net assets - invested in capital assets, net of related debt	<u>\$ -</u>	<u>\$ 12,399,051</u>

**7.2 Calculation of net assets - Restricted for nonexpendable - endowments**

Not applicable

**8 Transactions with Related Entities**

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 295,000
Payments to University for other than salaries of University personnel	95,223
Payments received from University for services, space, and programs	-
Gifts-in-kind to the University from Auxiliary Organizations	-
Accounts (payable to) University (enter as negative number)	(18,839)
Accounts receivable from 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

See accompanying independent auditors' report.