

COLORADO STATE UNIVERSITY
Financial Procedure Statements
FPI 1-10

1. **Procedure Title:** Financial Statements
2. **Procedure Purpose and Effect:** The purpose is to define the basic financial statements and required supplemental information required for financial reporting purposes by Colorado State University.
3. **Application of Procedure:** This procedure applies to Financial Reporting & Analysis in the Business and Financial Services Department, Colorado State University.
4. **Exemptions:** None.
5. **Definitions:**

Colorado State University follows the reporting guidance of the State of Colorado for special purpose governments engaged only in business-type activities, in accordance with the accounting principles promulgated by the Governmental Accounting Standards Board and the Colorado Higher Education Accounting Standards Committee. The basic financial statements and required supplemental information include:

- A. Management's Discussion and Analysis (MD&A)
- B. Statement of Net Position (SNP)
- C. Statement of Revenues, Expenses, and Changes in Net Position (SRECNP)
- D. Statement of Cash Flows
- E. Notes to Financial Statements
- F. Other Required Supplemental Information, if applicable

A. Management's Discussion and Analysis (MD&A):

The basic financial statements are preceded by MD&A, which is required supplementary information. MD&A discusses the current-year results in comparison with the prior year, with emphasis on the current year. This provides an objective analysis of the institution's financial activities.

B. Statement of Net Position (SNP):

A "net position" format (assets and deferred outflows of resources less liabilities and deferred inflows of resources (if applicable) equal net position) is required. Assets and liabilities are presented in a classified format (current and non-current), generally in the order of liquidity.

C. Statement of Revenues, Expenses, and Changes in Net Position (SRECNP):

The SRECNP is presented using the all-inclusive format as required by the Governmental Accounting Standards Board for proprietary funds. Revenues are reported by major source, net of discounts and allowances. Operating expenses are reported by function, with depreciation expenses reported as a separate line under operating expenses.

For the purpose of distinguishing operating revenues and expenses from non-operating revenues and expense, CSU follows the following guidelines:

1. Operating revenues and expenses generally result from providing goods and services for instruction, research, public service or related support services to an individual or entity separate from the institution.
2. Non-operating revenues and expense are those not included as operating revenues/expenses or other revenues/expenses.

D. Statement of Cash Flows:

The Statement of Cash Flows is presented following the guidelines in GASB 34 and must be reported using the direct method format.

E. Notes to Financial Statements:

All required disclosures must be included in the Notes to the Financial Statements.

F. Other Required Supplemental Information – Component Units:

Beginning with the June 30, 2004 financial statements, GASB Statement 39, as amended by GASB 61, required the inclusion of certain organizations as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support to the primary government or its other component units. CSU's component unit's financial information is discretely presented within its financial statements as required.

6. Procedure Statement:

Financial Reporting and Analysis in the Department of Business and Financial Services compiles all basic financial statements and required supplemental information contained in CSU's financial systems. They also consolidate CSU's financial data with CSU-Pueblo, CSU Global Campus, and the Board of Governors to produce the Colorado State University System's financial statements. These statements are CSU's audited financial statements and are based on a fiscal year of July 1st through June 30th.

7. Reference and Cross-References:

The State of Colorado Higher Education Accounting Standards, Standard 17 - Financial Statement Presentation <http://www.colorado.gov/dpa/dfp/sco/standard.htm>.

CSU System audited financial statements
http://busfin.colostate.edu/Resources/Fin_Statements.aspx.

8. Forms and Tools: No applicable forms or tools.