



Grant Thornton

**Financial Statements, Supplementary Information and
Report of Independent Certified Public Accountants**

**Associated Students of San Francisco State
University (a California State University Auxiliary
Organization)**

June 30, 2017

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
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We have audited the accompanying financial statements of Associated Students of San Francisco State University (Associated Students) (a California State University Auxiliary Organization), which comprise the statement of financial position as of June 30, 2017, and the related statement of activity and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained *in Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Students of San Francisco State University (a California State University Auxiliary Organization) as of June 30, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on summarized comparative information

We have previously audited Associated Student's 2016 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated September 15, 2016. The summarized comparative information presented herein as of and for the year ended June 30, 2016 is derived from those financial statements.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Associated Students' financial statements. The supplementary information on pages 18-29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 15, 2017, on our consideration of Associated Students' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students' internal control over financial reporting and compliance.

Grant Thornton LLP

San Francisco, California

September 15, 2017



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING
STANDARDS*

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We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities, of Associated Students of San Francisco State University (the Associated Students) (a California State University Auxiliary Organization) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Associated Students basic financial statements, and have issued our report thereon dated September 15, 2017.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the Associated Students' internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Associated Students' financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in Associated Students' internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether Associated Students' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Associated Students' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Students' internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

San Francisco, California
September 15, 2017

**Associated Students of
San Francisco State University**

Statement of Financial Position

June 30, 2017 (with comparative totals for June 30, 2016)

	2017	2016
Assets		
Cash and cash equivalents	\$ 3,736,274	\$ 40,621
Investments	12,190,480	11,337,566
Accounts receivable, net of allowance for doubtful accounts	381,216	3,851,691
Student activity fees receivable	3,236,759	3,144,133
Prepaid expenses and other assets	72,178	51,145
Property and equipment, net	62,811	96,494
Capitalized leasehold improvements, net	357,517	22,062
Total assets	\$ 20,037,235	\$ 18,543,712
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,017,408	\$ 943,319
Deferred revenue	194,354	243,498
Employee benefits payable	1,087,818	1,216,748
Total liabilities	2,299,580	2,403,565
Net Assets:		
Unrestricted:		
General Fund	12,667,931	11,434,316
Designated:		
General Fund	810,346	840,630
Children's Center Facility	4,025,832	3,693,779
Student Organization Banking	135,831	-
Total unrestricted net assets	17,639,940	15,968,725
Temporarily restricted	97,715	171,422
Total net assets	17,737,655	16,140,147
Total liabilities and net assets	\$ 20,037,235	\$ 18,543,712

**Associated Students of
San Francisco State University**

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2017 (with comparative totals for June 30, 2016)

	2017					Total	2016 Total
	Unrestricted			Temporarily Restricted	Total		
	General	Children's Center Facility	Student Organization Banking				
Revenue and Support:							
Student activity fees	\$ 6,801,618	\$ -	\$ -	\$ -	\$ 6,801,618	\$ 6,652,796	
Program fees	971,288	-	256,128	-	1,227,416	1,302,404	
Investment income, net	159,684	-	-	-	159,684	163,217	
Contribution and grants	730,857	-	6,854	274,247	1,011,958	902,507	
Net assets released from restrictions:							
Satisfaction of program restrictions	347,954	-	-	(347,954)	-	-	
Total revenue and support	9,011,401	-	262,982	(73,707)	9,200,676	9,020,924	
Expenses:							
Student services	3,146,994	-	-	-	3,146,994	3,314,788	
Student government	368,914	-	-	-	368,914	322,168	
Community services	310,213	-	-	-	310,213	195,726	
Student organizations	111,899	-	127,151	-	239,050	53,695	
Management and general	3,495,978	42,019	-	-	3,537,997	3,682,567	
Total expenses	7,433,998	42,019	127,151	-	7,603,168	7,568,944	
Change in Net Assets	1,577,403	(42,019)	135,831	(73,707)	1,597,508	1,451,980	
Other Net Asset Transfers	(374,074)	374,074	-	-	-	-	
Net Assets - Beginning of year	12,274,948	3,693,777	-	171,422	16,140,147	14,688,167	
Net Assets - End of year	\$ 13,478,277	\$ 4,025,832	\$ 135,831	\$ 97,715	\$ 17,737,655	\$ 16,140,147	

**Associated Students of
San Francisco State University**

Statement of Cash Flows

Year Ended June 30, 2017 (with comparative totals for June 30, 2016)

	2017	2016
Operating Activities:		
Change in net assets	\$ 1,597,508	\$ 1,451,980
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	80,036	278,436
Net realized and unrealized loss on investments	26,435	5,027
Changes in:		
Receivables, net	3,350,117	(3,488,981)
Prepaid expenses and other assets	6,698	(31,412)
Accounts payable and accrued expenses	(54,841)	(92,614)
Deferred revenue	(49,144)	27,864
Net cash provided by (used in) operating activities	4,956,809	(1,849,700)
Investing Activities:		
Purchase of investments	(976,417)	(2,832,550)
Proceeds from sale of investments	97,068	4,410,081
Purchase of property, equipment and leasehold improvements	(381,807)	67,469
Net cash (used in) provided by investing activities	(1,261,156)	1,645,000
Increase (Decrease) in Cash and Cash Equivalents	3,695,653	(204,700)
Cash and Cash Equivalents, beginning of year	40,621	245,321
Cash and Cash Equivalents, end of year	\$ 3,736,274	\$ 40,621

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 1 - Organization:

The Associated Students of San Francisco State University (the “Associated Students”) is a not-for-profit organization that functions as an auxiliary organization for San Francisco State University. The Associated Students operates student programs and activities for the benefit of the students of San Francisco State University (“the University”). Such programs and activities are funded primarily from student activity and program fees.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Presentation and Description of Net Assets

The financial statements of the Associated Students are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“US GAAP”), and the accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting purposes into funds that are in accordance with specific activities or objectives. For financial statement purposes, all financial transactions are reported by the following classes of net assets as prescribed for not-for-profit organizations by the Financial Accounting Standards Board (“FASB”):

Unrestricted Net Assets – Unrestricted net assets consist of all resources of the Associated Students that have not been restricted by a donor. Unrestricted resources have been recorded in the following funds:

- General Fund – Represents unrestricted net assets available for student-related programs, activities and operations of Associated Students.
- Children’s Center Facility – Represents unrestricted net assets from and for the operations of the Children’s Center Facility.

Temporarily Restricted Net Assets – Temporarily restricted net assets consist of cash and other assets received with donor stipulations that limit the use of donated assets. When a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – The portion of net assets whose use by the Associated Students is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Associated Students. The Associated Students does not have any permanently restricted net assets.

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 2 - Summary of Significant Accounting Policies, Continued:

b. Revenue Recognition

Associated Students recognizes revenue when revenue is earned. Contribution and grants are reviewed for restrictions imposed by donors to determine if the contribution or grant should be classified as unrestricted revenue, temporarily restricted revenue or permanently restricted revenue. Contribution and grant revenue is recognized when unconditionally promised by the donor.

The Associated Students recognizes student activity fees revenue as it is earned and is recorded by the University as a payable. Associated Students records revenue monthly by the semester it belongs to and records a receivable from the campus. The Associated Students is required under Title 5 Section 42403(a) of the California Code of Regulations, to have the student activity fees retained by the University in a campus trust account. Periodically, the Associated Students may request reimbursement. At June 30, 2017 and 2016, the student activity fees receivable were \$3,236,759 and \$3,144,133, respectively.

Program Revenue are fees Associated Students receives for providing childcare, room scheduling/meetings, Farmers Market and other activities. The fees are collected by Associated Students and recognized when earned.

c. Cash and Cash Equivalents

For purposes of the Statement of Cash Flow, the Associated Students considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. This includes cash on hand and cash in banks.

d. Investments

Investments are carried at fair value. Investments consist of funds invested in the Local Agency Investment Fund ("LAIF") and debt securities with interest and realized and unrealized gains and losses reflected in the Statement of Activities and Changes in Net Assets.

e. Fair Value Measurement

The Associated Students carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Associated Students classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 2 - Summary of Significant Accounting Policies, Continued:

- Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.
- Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data. Associated Students has no level 3 investments as of June 30, 2017.

f. Property and Equipment and Capitalized Leasehold Improvements

Property and equipment are capitalized at cost when purchased, or if donated, at estimated fair market value at the date of donation. Depreciation has been calculated using the straight-line method over the estimated useful life of the assets, ranging from three to ten years. Capitalized leasehold improvements are amortized over the lesser of their service life or remaining lease term.

g. Income Taxes

The Associated Students is a tax-exempt organization under Internal Revenue Service Code Section 501(c)(3) and the California tax code.

The Associated Students follows the guidelines of FASB ASC Topic 740 for accounting for uncertainty in income taxes. As of June 30, 2017, management evaluated the Associated Students' tax positions and concluded that the Associated Students had maintained its tax exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The open tax years are generally the years ended June 30, 2013 through June 30, 2016 for federal tax purposes and the years ended June 30, 2012 through June 30, 2016 for California tax purposes.

h. Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services that are benefited based on management estimates.

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 2 - Summary of Significant Accounting Policies, Continued:

i. Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

j. Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Associated Students' financial statements and notes for the year ended June 30, 2016, from which the summarized information was derived.

k. Subsequent Events

The Associated Students evaluated subsequent events with respect to the financial statements for the year ended June 30, 2017 through September 15, 2017, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 3 - Investments:

At June 30, 2017, Investments consist of the following:

Cash and Money Market Funds	\$ 27,924
Corporate Bonds and Municipal Bonds	728,948
Local Agency Investment Fund	11,433,608
	<u>\$ 12,190,480</u>

Net investment income for the year ended June 30, 2017 was comprised of net realized and unrealized loss on investments of \$26,435 and interest on investments of \$121,570.

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 3 - Investments, Continued:

The LAIF is a voluntary program created by statute that began in 1977 as an investment for California's local governments and special districts. The program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the Treasurer's Office investment staff. Participating agencies can withdraw their funds from the LAIF at any time. Participating agencies' portions of the fund are held at fair value using net asset value ("NAV") information provided by LAIF.

Note 4 - Fair Value Measurement:

At June 30, 2017, Associated Student's investments consist of cash and money market funds of \$27,924 and the following assets which are classified by level within the valuation hierarchy on a recurring basis at June 30, 2017 as follows:

	2017			
	Level 1	Level 2	NAV	Total
Corporate Bonds	\$ 540,999	\$ 113,512	\$ -	\$ 654,511
Municipal Bonds	48,737	25,700	-	74,437
Local Agency Investment Fund	-	-	11,433,608	11,433,608
	\$ 589,736	\$ 139,212	\$ 11,433,608	\$ 12,162,556

Note 5 - Property and Equipment:

Property and equipment at June 30, 2017 consist of:

	2017
Equipment, furniture and fixtures	\$ 1,097,177
Leasehold improvements	5,433,126
	6,530,303
Less: accumulated depreciation and amortization	(6,109,975)
	\$ 420,328

Note 6 - Retirement Plan:

All salaried employees are covered under an employer-sponsored 403(b) tax sheltered annuity plan, administered by the Variable Annuity Life Insurance Company. Contributions made by the Associated Students to this plan during the years ended June 30, 2017 and 2016 were \$253,516 and \$230,260, respectively.

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 7 - Employee Benefits Payable:

Prior to the merger with the Associated Students, the Student Center of San Francisco State University (the Student Center) provided health care benefits to its active employees and retirees. The Board of Directors of the Student Center decided that coverage should be maintained and engaged an actuarial consultant to provide an estimate of the anticipated liability for coverage to the effected employees and retirees. The Associated Students does not provide similar coverage, and after June 30, 2014, active employees transferring employment to the Associated Students and retirees would no longer be eligible for that coverage.

The present value of future expected retiree healthcare benefits was calculated using actuarial assumptions based on the benefits provided and considering premium increases and a discount rate of 3.5%. The resulting liability was estimated and adjusted to \$1,087,818 as of June 30, 2017 for the present value change of the discount and other considerations or changes. During the year ended June 30, 2017, \$43,581 of benefits were paid.

Note 8 - Capitalized Leasehold Improvements and Lease Obligation:

Associated Students had entered into a capitalized loan obligation transaction with related parties, the Franciscan Shops, Inc. and San Francisco State University Foundation, who financed the transaction as lessors with Associated Students as lessee. To finance the transaction, the related parties assumed revenue bond financed debt which compounded to the amount of the capital lease obligation assumed by Associated Students. The capitalized lease related to the construction costs (accounted for as leasehold improvements) of the Children's Center on land that was leased from the Board of Trustees of the California State University (the Trustees). There was also a Site Lease and Sublease with the related parties associated with the capitalized lease obligation transaction.

Associated Students paid off its capital lease obligation (which also paid off the remaining revenue bond financed debt). Since the previously mentioned Ground Lease, Site Lease and Sublease terminated with the payoff of the bonds, the Associated Students entered into a new facility lease with the Trustees for the facility of the Children's Center. While the term of the new operating lease is for five years, beginning in December 2011, Associated Students is currently working on a new facilities lease combined with their operating agreement with the Trustees. The term of the agreement is expected to be for ten years commencing in 2017.

Total capitalized leasehold improvements were \$5,433,126 and \$5,055,653 at June 30, 2017 and 2016, respectively. Accumulated amortization relating to the capitalized leasehold improvements was \$5,075,608 and \$5,033,591 at June 30, 2017 and 2016, respectively.

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 9 - Related Parties:

The Auxiliary Business Services Office of San Francisco State University maintains the accounting records of the Associated Students and other campus auxiliary organizations. Operating costs of Auxiliary Business Services are allocated between such organizations based on usage. Fees for accounting services were \$504,623 and \$447,766 for fiscal years 2017 and 2016, respectively.

In the normal course of business, Associated Students conducts various transactions with San Francisco State University and the other auxiliary organizations. Expense transactions amounted to \$1,069,681 and \$1,015,857 for the years ended June 30, 2017 and 2016, respectively. Included in this total are related party expenditures for year ended June 30, 2017 in the amount of \$81,265 for cost reimbursement to San Francisco State University for Auxiliary Services. Associated Students did not owe an amount for cost reimbursement for the year ended June 30, 2016.

Effective July 1, 2014, the Associated Students entered into an operating agreement and lease (Master Lease) with the Board of Trustees of the California State University (Trustees), for the facilities and space that it utilizes in the Student Center. The term of the master lease is July 1, 2014 to June 30, 2019. The Associated Students will share usage with University Corporation, San Francisco State. For lease costs, the Associated Students is required to pay its share of common area and facilities upkeep costs. For the year ended June 30, 2017, the Associated Students reimbursed the University approximately \$722,000 for its 46% share of the Student Center.

The University Corporation, San Francisco State (the Corporation) contributed \$273,372 to Associated Students for the year ended June 30, 2017. The contribution represents the residual net rental income from the leasing operations managed by the Corporation.

Note 10 - Concentration of Risk:

The Associated Students has defined its financial instruments which are potentially subject to risk as cash and investments in LAIF. LAIF is a special fund in the State Treasury created for the purpose of pooled investment of idle funds for local governmental and quasi-governmental entities. These funds are neither insured nor guaranteed by the United States or California governments. The Associated Students investments in LAIF were \$11,433,608 and \$10,585,756 at June 30, 2017 and 2016, respectively. At June 30, 2017, the Associated Students had no cash deposits in excess of federally insured limits.

**Associated Students of
San Francisco State University**

Notes to Financial Statements
June 30, 2017

Note 11 - Temporarily Restricted Net Assets:

As of June 30, 2017 and 2016, temporarily restricted net assets of \$97,715 and \$171,422, respectively, relate to the Children's Center operations.

Net assets of \$347,954 were released from donor restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2017.

Note 12 - Governing Board Transactions:

Compensation paid to student members of the Associated Students Governing Board for the years ended June 30, 2017 and 2016 was \$207,550 and \$153,100, respectively. These payments, which range from \$700 to \$1,400 per month, are included in the Statement of Activities and Changes in Net Assets as Student Government expenses.

Note 13 - Assets and Liabilities Relating to Children's Center Facility:

Assets and liabilities as of June 30, 2017 relating to the Children's Center operations consist of the following:

	2017
Assets:	
Cash Interfund	\$ 3,487,951
Investments	180,363
Capitalized leasehold improvements	357,518
	\$ 4,025,832
Unrestricted Net Assets:	
Designated Children's Center Facility	\$ 4,025,832
	\$ 4,025,832

Associated Students of San Francisco State University
Schedule of Net Position
June 30, 2017
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 3,736,274
Short-term investments	12,190,480
Accounts receivable, net	3,618,564
Leases receivable, current portion	—
Notes receivable, current portion	23,000
Pledges receivable, net	—
Prepaid expenses and other current assets	48,589
Total current assets	<u>19,616,907</u>
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	420,328
Other assets	—
Total noncurrent assets	<u>420,328</u>
Total assets	<u>20,037,235</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Others	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	4,599
Accrued salaries and benefits	44,801
Accrued compensated absences, current portion	—
Unearned revenue	194,354
Capitalized lease obligations, current portion	—
Long-term debt obligations, current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	1,795,848
Total current liabilities	<u>2,039,602</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	259,978
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims liability for losses and loss adjustment expenses, net of current portion	—
Depository accounts	—
Other postemployment benefits obligations	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>259,978</u>
Total liabilities	<u>2,299,580</u>
Deferred inflows of resources:	
Service concession arrangements	—
Net pension liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Others	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	420,328
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	219,898
Unrestricted	17,097,429
Total net position	<u>\$ 17,737,655</u>

Associated Students of San Francisco State University
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2017
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$_____)	\$ 6,801,618
Grants and contracts, noncapital:	
Federal	258,400
State	465,331
Local	—
Nongovernmental	288,228
Sales and services of educational activities	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	—
Other operating revenues	1,387,099
Total operating revenues	<u>9,200,676</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	4,001,103
Institutional support	2,193,476
Operation and maintenance of plant	1,264,487
Student grants and scholarships	64,068
Auxiliary enterprise expenses	—
Depreciation and amortization	80,034
Total operating expenses	<u>7,603,168</u>
Operating income (loss)	<u>1,597,508</u>
Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	—
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>—</u>
Income (loss) before other revenues (expenses)	1,597,508
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	1,597,508
Net position:	
Net position at beginning of year, as previously reported	16,140,147
Restatements	—
Net position at beginning of year, as restated	<u>16,140,147</u>
Net position at end of year	<u>\$ 17,737,655</u>

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2.3 Restricted current investments at June 30, 2017 related to:	Amount
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2017	\$ —
2.4 Restricted noncurrent investments at June 30, 2017 related to:	Amount
Endowment investment	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2017	\$ —

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2.5 Fair value hierarchy in investments at June 30, 2017:

	Total	Fair Value Measurements Using			Net Asset Value (NAV)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
State of California Surplus Money Investment Fund (SMIF)	\$ —	—	—	—	—
State of California Local Agency Investment Fund (LAIF)	11,433,608	—	—	—	11,433,608
Corporate bonds	654,511	540,999	113,512	—	—
Certificates of deposit	—	—	—	—	—
Mutual funds	—	—	—	—	—
Money Market funds	27,924	27,924	—	—	—
Repurchase agreements	—	—	—	—	—
Commercial paper	—	—	—	—	—
Asset backed securities	—	—	—	—	—
Mortgage backed securities	—	—	—	—	—
Municipal bonds	74,437	48,737	25,700	—	—
U.S. agency securities	—	—	—	—	—
U.S. treasury securities	—	—	—	—	—
Equity securities	—	—	—	—	—
Exchange traded funds (ETFs)	—	—	—	—	—
Alternative investments:					
Private equity (including limited partnerships)	—	—	—	—	—
Hedge funds	—	—	—	—	—
Managed futures	—	—	—	—	—
Real estate investments (including REITs)	—	—	—	—	—
Commodities	—	—	—	—	—
Derivatives	—	—	—	—	—
Other alternative investment types	—	—	—	—	—
Other external investment pools (excluding SWIFT)					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Other major investments:					
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Add description	—	—	—	—	—
Total investments	12,190,480	617,660	139,212	—	11,433,608

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3.1 Composition of capital assets at June 30, 2017:

	Balance June 30, 2016	Prior period Adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2017
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ —	—	—	—	—	—	—	—
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress (CWIP)	3,400	—	—	3,400	321,140	—	(324,540)	—
Intangible assets:								
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyrights and trademarks	—	—	—	—	—	—	—	—
Internally generated intangible assets in progress	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total nondepreciable/nonamortizable capital assets	3,400	—	—	3,400	321,140	—	(324,540)	—
Depreciable/amortizable capital assets:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	5,063,677	—	(8,024)	5,055,653	52,933	—	324,540	5,433,126
Personal property:								
Equipment	1,081,420	—	8,024	1,089,444	7,733	—	—	1,097,177
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total depreciable/amortizable capital assets	6,145,097	—	—	6,145,097	60,666	—	324,540	6,530,303
Total capital assets	6,148,497	—	—	6,148,497	381,806	—	—	6,530,303
Less accumulated depreciation/amortization:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(5,041,618)	—	8,027	(5,033,591)	(42,018)	—	—	(5,075,608)
Personal property:								
Equipment	(988,323)	—	(8,027)	(996,350)	(38,017)	—	—	(1,034,367)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets:								
Software and websites	—	—	—	—	—	—	—	—
Rights and easements	—	—	—	—	—	—	—	—
Patents, copyright and trademarks	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Other intangible assets:								
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—
Total intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(6,029,941)	—	—	(6,029,941)	(80,034)	—	—	(6,109,975)
Total capital assets, net	\$ 118,556	—	—	118,556	301,772	—	—	420,328

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3.2 Detail of depreciation and amortization expense for the year ended June 30, 2017:

Depreciation and amortization expense related to capital assets	\$ 80,034
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 80,034</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2016	Prior period adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Balance June 30, 2017	Current portion	Long-term portion
Accrued compensated absences	\$ 336,498	—	—	336,498	11,113	(87,633)	259,978	—	259,978
Claims liability for losses and loss adjustment expenses	—	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Long-term debt obligations:									
Auxiliary revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Notes payable related to SRB	—	—	—	—	—	—	—	—	—
Others: (list by type)									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total long-term liabilities	<u>\$ 336,498</u>	<u>—</u>	<u>—</u>	<u>336,498</u>	<u>11,113</u>	<u>(87,633)</u>	<u>259,978</u>	<u>—</u>	<u>259,978</u>

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5 Future minimum lease payments - capitalized lease obligations:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total capitalized lease obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
Total minimum lease payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum lease payments									—
Unamortized net premium (discount)									—
Total capitalized lease obligations									—
Less: current portion									—
Capitalized lease obligation, net of current portion									\$ —

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6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2018	\$ —	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—
2023 - 2027	—	—	—	—	—	—	—	—	—
2028 - 2032	—	—	—	—	—	—	—	—	—
2033 - 2037	—	—	—	—	—	—	—	—	—
2038 - 2042	—	—	—	—	—	—	—	—	—
2043 - 2047	—	—	—	—	—	—	—	—	—
2048 - 2052	—	—	—	—	—	—	—	—	—
2053 - 2057	—	—	—	—	—	—	—	—	—
2058 - 2062	—	—	—	—	—	—	—	—	—
2063 - 2067	—	—	—	—	—	—	—	—	—
Total minimum payments	—	—	—	—	—	—	—	—	—
Less amounts representing interest									—
Present value of future minimum payments									—
Unamortized net premium (discount)									—
Total long-term debt obligations									—
Less: current portion									—
Long-term debt obligations, net of current portion									\$ —

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8 Transactions with related entities

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ —
Payments to University for other than salaries of University personnel	1,069,681
Payments received from University for services, space, and programs	7,057,099
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	(420,015)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	79,862
Other amounts receivable from University	—

9 Other postemployment benefits obligation (OPEB)

Annual required contribution (ARC)	\$ —
Contributions during the year	<u>—</u>
Increase (decrease) in net OPEB obligation (NOO)	—
Other adjustments	—
NOO - beginning of year	<u>—</u>
NOO - end of year	<u><u>\$ —</u></u>

10 Pollution remediation liabilities under GASB Statement No. 49:

<u>Description</u>	<u>Amount</u>
Add description	\$ —
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total pollution remediation liabilities	\$ —
Less: current portion	<u>—</u>
Pollution remediation liabilities, net of current portion	<u><u>—</u></u>

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11 The nature and amount of the prior period adjustment(s) recorded to beginning net position

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 20PY, as previously reported		\$ 16,140,147
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2013, as restated		\$ 16,140,147

Provide a detailed breakdown of the journal entries (at the financial statement line item level) booked to record each prior period adjust

	Debit	Credit
Net position class: _____		
1 (breakdown of adjusting journal entry)	\$ —	—
Net position class: _____		
2 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
3 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
4 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
5 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
6 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
7 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
8 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
9 (breakdown of adjusting journal entry)	—	—
Net position class: _____		
10 (breakdown of adjusting journal entry)	—	—



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