

ASSOCIATED STUDENTS OF  
SAN FRANCISCO STATE UNIVERSITY

JUNE 30, 2014 AND 2013

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FINANCIAL STATEMENTS,

INDEPENDENT AUDITORS' REPORT

AND

SUPPLEMENTARY INFORMATION

**Associated Students of  
San Francisco State University**

**Financial Statements,  
Independent Auditors' Report and  
Supplementary Information**

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**Financial Statements**

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## **Independent Auditors' Report**

THE BOARD OF DIRECTORS  
ASSOCIATED STUDENTS OF  
SAN FRANCISCO STATE UNIVERSITY  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY (the Associated Students)** which comprise the statement of financial position as of June 30, 2014, and the related statements of activities 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.

### **Auditors' 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. 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.

*Consultants and*

*Business Advisors*

*100 First Street*

*14<sup>th</sup> Floor*

*San Francisco*

*CA 94105*

*415.781.0793*

*fax 415.421.2976*

*60 S. Market Street*

*Suite 200*

*San Jose*

*CA 95113*

*408.998.8400*

*fax 408.998.8485*



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 the Associated Students as of June 30, 2014, and the changes in its net assets 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 the Associated Students' June 30, 2013 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 17, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hood & Sperry LLP*

San Francisco, California  
September 16, 2014

**Associated Students of  
San Francisco State University**

**Statement of Financial Position**

<i>June 30, 2014 (with comparative totals for June 30, 2013)</i>	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 36,480	\$ 110,950
Investments	4,990,724	4,445,544
Accounts receivable, net of allowance for doubtful accounts	63,175	40,987
Student activity fees receivable	2,981,266	2,973,726
Prepaid expenses and other assets	21,598	19,740
Property and equipment, net	20,638	37,317
Capitalized leasehold improvements, net	604,845	896,236
<b>Total assets</b>	<b>\$ 8,718,726</b>	<b>\$ 8,524,500</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 221,129	\$ 155,959
Deferred revenue	317,953	174,478
<b>Total liabilities</b>	<b>539,082</b>	<b>330,437</b>
<b>Net Assets:</b>		
Unrestricted:		
General Fund	3,214,333	3,045,171
Designated:		
General Fund	4,048,352	3,858,352
Children's Center Facility	785,208	1,076,599
<b>Total unrestricted net assets</b>	<b>8,047,893</b>	<b>7,980,122</b>
Temporarily restricted	131,751	213,941
<b>Total net assets</b>	<b>8,179,644</b>	<b>8,194,063</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,718,726</b>	<b>\$ 8,524,500</b>

The accompanying notes are an integral part of this statement.

# Associated Students of San Francisco State University

## Statement of Activity and Changes in Net Assets

*Year Ended June 30, 2014 (with comparative totals for June 30, 2013)*

	2014				2013 Total
	Unrestricted		Temporarily Restricted	Total	
	General	Children's Center Facility			
<b>Revenue and Support:</b>					
Student activity fees	\$ 3,088,616	\$	\$	\$ 3,088,616	\$ 3,012,800
Program fees	881,450			881,450	829,303
Interest income	26,319			26,319	41,592
Contribution and grants	80,736		486,458	567,194	826,750
Net assets released from restrictions:	-			-	
Satisfaction of program restrictions	568,648		(568,648)	-	
<b>Total revenue and support</b>	<b>4,645,769</b>		<b>(82,190)</b>	<b>4,563,579</b>	<b>4,710,445</b>
<b>Expenses:</b>					
Student services	2,609,903			2,609,903	2,556,757
Student government	287,440			287,440	271,065
Community services	219,432			219,432	151,822
Student organizations	113,640			113,640	109,903
Management and general	1,056,192	291,391		1,347,583	1,272,268
<b>Total expenses</b>	<b>4,286,607</b>	<b>291,391</b>		<b>4,577,998</b>	<b>4,361,815</b>
<b>Change in Net Assets</b>	<b>359,162</b>	<b>(291,391)</b>	<b>(82,190)</b>	<b>(14,419)</b>	<b>348,630</b>
<b>Net Assets - Beginning of year</b>	<b>6,903,523</b>	<b>1,076,599</b>	<b>213,941</b>	<b>8,194,063</b>	<b>7,845,433</b>
<b>Net Assets - End of year</b>	<b>\$ 7,262,685</b>	<b>\$ 785,208</b>	<b>\$ 131,751</b>	<b>\$ 8,179,644</b>	<b>\$ 8,194,063</b>

The accompanying notes are an integral part of this statement.

**Associated Students of  
San Francisco State University**

**Statement of Cash Flows**

*Year Ended June 30, 2014 (with comparative totals for June 30, 2013)*

	2014	2013
<b>Operating Activities:</b>		
Change in net assets	\$ (14,419)	\$ 348,630
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	308,070	297,928
Changes in:		
Receivables, net	(29,728)	177,586
Prepaid expenses and other assets	(1,858)	(1,682)
Accounts payable and accrued expenses	65,170	(13,615)
Deferred revenue	143,475	(7,732)
Net cash provided by operating activities	470,710	801,115
<b>Investing Activities:</b>		
Purchase of investments	(2,790,180)	(2,912,551)
Proceeds from sale of investments	2,245,000	2,270,000
Purchase of property, equipment and leasehold improvements	-	(71,485)
Net cash used by investing activities	(545,180)	(714,036)
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	(74,470)	87,079
<b>Cash and Cash Equivalents, beginning of year</b>	110,950	23,871
<b>Cash and Cash Equivalents, end of year</b>	\$ 36,480	\$ 110,950

The accompanying notes are an integral part of this statement.

# Associated Students of San Francisco State University

## Notes to Financial Statements

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### Note 1 - Organization and Summary of Significant Accounting Policies:

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. Such programs and activities are funded primarily from student activity and program fees.

Significant accounting policies include the following:

a. Basis of Presentation

The financial statements of the Associated Students are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles 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.

#### Description of Net Assets

*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.

b. Revenue Recognition

The Associated Students is required under Title 5 Section 42403(a) 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, 2014 and 2013, the student activity fees receivable were \$2,981,266 and \$2,973,726, respectively.



**Associated Students of  
San Francisco State University**

**Notes to Financial Statements**

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c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Associated Students consider 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 consist of funds invested in the Local Agency Investment Fund ("LAIF"), which are carried at fair value.

e. Fair Value Measurement

The Associated Students classifies their financial assets and liabilities measured at fair value on a recurring basis based on a fair value hierarchy with three levels of inputs. Level 1 values are based on unadjusted quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Associated Students' determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the assets and liabilities measured at fair value.

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, which is six years.

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.

Management evaluated the Associated Student's tax positions and concluded that the Associated Student had maintained its tax exempt status and had taken no uncertainty tax positions that requires adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Associated Students is no longer subject to income tax examinations by the Internal Revenue Service for the tax fiscal years ended 2010 and before, and by the California Franchise Tax Board for the tax fiscal years ended 2009 and before.

**Associated Students of  
San Francisco State University**

**Notes to Financial Statements**

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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. Accordingly, certain costs have been allocated among the programs and supporting services that are benefited based on management estimates.

i. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 detail activity. For comparative analysis, the financial statements for the year ended June 30, 2013, from which the summarized information was derived, should be read.

k. Subsequent Events

The Associated Students evaluated subsequent events through September 16, 2014, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, except as disclosed in Note 11.

**Note 2 - Investments and Fair Value Measurement:**

Local Area Investment Funds (LAIF) investments at June 30, 2014 and 2013 were \$4,990,724 and \$4,445,544, respectively. The LAIF investment for the Associated Students is classified as Level 2.

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.

**Associated Students of  
San Francisco State University**

**Notes to Financial Statements**

**Note 3 - Property and Equipment:**

Property and equipment at June 30, 2014 and 2013 consist of:

	2014	2013
Equipment, furniture and fixtures	\$ 83,508	\$ 88,880
Leasehold improvements	12,580	12,580
Equipment under capital lease	13,111	13,111
	109,199	114,571
Less: accumulated depreciation	(88,561)	(77,254)
	\$ 20,638	\$ 37,317

**Note 4 - Retirement Plan:**

All salaried employees are covered under an employer-sponsored 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, 2014 and 2013 were \$170,569 and \$153,141, respectively.

**Note 5 - Capitalized Leasehold Improvements and Lease Obligation:**

Prior to July 1, 2007, 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.

Additionally, prior to July 1, 2007 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 lease is for five years, ending in December 2011, Associated Students expects that the Trustees will extend the lease through 2017.

Total capitalized leasehold improvements were \$5,063,677 and \$5,063,677 at June 30, 2014 and 2013, respectively. Accumulated amortization relating to the capitalized leasehold improvements was \$4,458,832 and \$4,167,441 at June 30, 2014 and 2013, respectively.

# Associated Students of San Francisco State University

## Notes to Financial Statements

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### **Note 6 - 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 \$240,990 and \$227,361 for fiscal years 2014 and 2013, 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 approximately \$140,979 and \$303,421 for the years ended June 30, 2014 and 2013, respectively.

### **Note 7 - Concentration of Risk:**

The Associated Students has defined its financial instruments which are potentially subject to risk as cash and investments in the Local Agency Investment Fund (“LAIF”). The 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 \$4,990,724 and \$4,445,544 at June 30, 2014 and 2013 respectively. At June 30, 2014, the Associated Students had no cash deposits in excess of federally insured limits.

### **Note 8 - Temporarily Restricted Net Assets:**

Temporarily restricted net assets as of June 30, 2014 of \$131,751 relate to the Children’s Center operation.

Temporarily restricted net assets as of June 30, 2013 of \$89,697 relate to the Children’s Center operations and Project Rebound at San Francisco State University.

Net assets of \$568,648 were released from donor restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2014.

### **Note 9 - Governing Board Transactions:**

Compensation paid to student members of the Associated Students Governing Board for the years ended June 30, 2014 and 2013 was \$133,100 and \$128,250, respectively. These payments, which range from \$500 to \$925 per month, are included in the Statement of Activity as Student Government expenses.

**Associated Students of  
San Francisco State University**

**Notes to Financial Statements**

**Note 10 - Assets and Liabilities Relating to Children’s Center Facility:**

Assets and liabilities as of June 30, 2014 and 2013 relating to the Children’s Center operations consist of the following:

	2014	2013
<b>Assets:</b>		
Investments	\$ 180,363	\$ 180,363
Capitalized leasehold improvements	604,845	896,236
	\$ 785,208	\$ 1,076,599
 <b>Unrestricted Net Assets:</b>		
Designated Children’s Center Facility	\$ 785,208	\$ 1,076,599
	\$ 785,208	\$ 1,076,599

**Note 11 - Subsequent Events:**

On June 5, 2014, the Board of the Associated Students and the Board of the Student Center of San Francisco State University (the Student Center), a related party, adopted a resolution to combine both the Associated Students and the Student Center entities and operations. The necessary actions and plans, including addressing legal, accounting, tax and operational requirements and implications have been identified or developed by both the Boards and managements of the Associated Students and the Student Center.

Effective July 1, 2014, various student program activities under the Student Center will be transferred to the Associated Students.

As of July 1, 2014 various assets and liabilities will be transferred to the Associated Students from the Student Center as follows: \$5,547,000.

Subsequent to June 30, 2014, the Associated Students will assume the operating agreement and lease (Master Lease) with the Board of Trustees of the California State University (Trustees), for the facilities and space that it will utilize in the Cesar Chavez Student Center. The term of the master lease is anticipated July 1, 2014 to June 30, 2019. The Associated Students will share usage of University Corporation, San Francisco State. For lease costs, the Associated Students will be required to pay its share of common area and facilities upkeep costs.



**Independent Auditors' Report  
on Supplementary Information**

THE BOARD OF DIRECTORS  
ASSOCIATED STUDENTS OF  
SAN FRANCISCO STATE UNIVERSITY  
San Francisco, California

Our report on our audit of the financial statements of **ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY (the Associated Students)** for the year ended June 30, 2014 appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information included on pages 13-20 is presented to facilitate the inclusion of the Associated Students financial statements in the combined California State University financial statements and is not a required part of the Associated Students basic financial statements. 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 audits 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.

*Hood & Strong LLP*

San Francisco, California  
September 16, 2014

*Consultants and  
Business Advisors*

*100 First Street*

*14<sup>th</sup> Floor*

*San Francisco*

*CA 94105*

*415.781.0793*

*fax 415.421.2976*

*60 S. Market Street*

*Suite 200*

*San Jose*

*CA 95113*

*408.998.8400*

*fax 408.998.8485*



**Associated Students of SFSU**  
Schedule of Net Position  
June 30, 2014  
(for inclusion in the California State University)  
(See Independent Auditors' Report on Supplementary Information)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 36,480
Short-term investments	4,990,724
Accounts receivable, net	3,044,441
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	21,598
Total current assets	<u>8,093,243</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	625,483
Other assets	—
Total noncurrent assets	<u>625,483</u>
Total assets	<u>8,718,726</u>
Deferred outflows of resources:	
Unamortized loss on refunding(s)	—
Total deferred outflows of resources	<u>—</u>
Liabilities:	
Current liabilities:	
Accounts payable	71,253
Accrued salaries and benefits payable	22,633
Accrued compensated absences— current portion	—
Unearned revenue	317,953
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	—
Other liabilities	—
Total current liabilities	<u>411,839</u>
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	127,243
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims Liability for losses and LAE, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	—
Total noncurrent liabilities	<u>127,243</u>
Total liabilities	<u>539,082</u>
Deferred inflows of resources:	
Deferred inflows from SCAs, grants, and others	—
Total deferred inflows of resources	<u>—</u>
Net Position:	
Net investment in capital assets	625,483
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Other	131,751
Unrestricted	7,422,410
Total net position	<u>\$ 8,179,644</u>

**Associated Students of SFSU**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2014  
(for inclusion in the California State University)  
(See Independent Auditors' Report on Supplementary Information)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$_____)	\$ 3,088,616
Grants and contracts, noncapital:	
Federal	80,736
State	486,458
Local	—
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)	881,450
Other operating revenues	—
Total operating revenues	<u>4,537,260</u>
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	2,609,903
Institutional support	1,632,806
Operation and maintenance of plant	—
Student grants and scholarships	27,219
Auxiliary enterprise expenses	—
Depreciation and amortization	308,070
Total operating expenses	<u>4,577,998</u>
Operating income (loss)	<u>(40,738)</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	26,319
Endowment income (loss), net	—
Interest Expenses	—
Other nonoperating revenues (expenses)	—
Net nonoperating revenues (expenses)	<u>26,319</u>
Income (loss) before other additions	(14,419)
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	<u>(14,419)</u>
Net position:	
Net position at beginning of year, as previously reported	8,194,063
Restatements	—
Net position at beginning of year, as restated	<u>8,194,063</u>
Net position at end of year	<u>\$ 8,179,644</u>



Associated Students of SFSU  
Other Information  
June 30, 2014  
(for inclusion in the California State University)  
(See Independent Auditors' Report for Supplementary Information)

<b>1 Restricted cash and cash equivalents at June 30, 2014:</b>	
Portion of restricted cash and cash equivalents related to endowments	\$ -
All other restricted cash and cash equivalents	-
Total restricted cash and cash equivalents	<u>\$ -</u>

**2.1 Composition of investments at June 30, 2014:**

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	\$ -	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	4,990,724	-	4,990,724	-	-	-	4,990,724
Wachovia Short Term Fund	-	-	-	-	-	-	-
Wachovia Medium Term Fund	-	-	-	-	-	-	-
Wachovia Equity Fund	-	-	-	-	-	-	-
CSU Consolidated Investment Pool (includes SWIFT and 0948 SMIF)	-	-	-	-	-	-	-
Common Fund - Short Term Fund	-	-	-	-	-	-	-
Common Fund - Others	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-
Fixed income securities (Treasury notes, GNMA's)	-	-	-	-	-	-	-
Land and other real estate	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-
Money Market funds	-	-	-	-	-	-	-
Collateralized mortgage obligations:	-	-	-	-	-	-	-
Inverse floaters	-	-	-	-	-	-	-
Interest-only strips	-	-	-	-	-	-	-
Agency pass-through	-	-	-	-	-	-	-
Partnership interests (includes private pass-through)	-	-	-	-	-	-	-
Alternative investments	-	-	-	-	-	-	-
Hedge funds	-	-	-	-	-	-	-
Other major investments:	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	<u>4,990,724</u>	<u>-</u>	<u>4,990,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990,724</u>
Less endowment investments (enter as negative number)	-	-	-	-	-	-	-
Total investments	<u>4,990,724</u>	<u>-</u>	<u>4,990,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990,724</u>

**2.2 Investments held by the University under contractual agreements at June 30, 2014:**

Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2014 :	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---

**2.3 Restricted current investments at June 30, 2014 related to:**

	<u>Amount</u>
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted current investments at June 30, 2014	<u>\$ —</u>

**2.4 Restricted noncurrent investments at June 30, 2014 related to:**

	<u>Amount</u>
Endowment investment	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Add description	—
Total restricted noncurrent investments at June 30, 2014	<u>\$ —</u>

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3.1 Composition of capital assets at June 30, 2014:

	Balance June 30, 2013	Prior period Adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2014
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	5,063,678	-	-	5,063,678	-	-	-	5,063,678
Personal property:								
Equipment	101,990	-	-	101,990	-	(5,902)	-	96,088
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	5,165,668	-	-	5,165,668	-	(5,902)	-	5,159,766
Total capital assets	5,165,668	-	-	5,165,668	-	(5,902)	-	5,159,766
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(4,167,441)	-	-	(4,167,441)	(291,391)	-	-	(4,458,832)
Personal property:								
Equipment	(64,674)	-	-	(64,674)	(16,679)	5,902	-	(75,451)
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	(4,232,115)	-	-	(4,232,115)	(308,070)	5,902	-	(4,534,283)
Total capital assets, net	\$ 933,553	-	-	933,553	(308,070)	-	-	625,483

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3.2 Detail of depreciation and amortization expense for the year ended June 30, 2014:

Depreciation and amortization expense related to capital assets	\$ 308,070
Amortization expense related to other assets	<u>—</u>
Total depreciation and amortization	<u>\$ 308,070</u>

4 Long-term liabilities activity schedule:

	Balance June 30, 2013	Prior period adjustments	Reclassifications	Balance June 30, 2013 (restated)	Additions	Reductions	Balance June 30, 2014	Current portion	Long-term portion
Accrued compensated absences	\$ 106,257	—	—	106,257	29,338	(8,352)	127,243	—	127,243
Capitalized lease obligations:									
Gross balance	—	—	—	—	-	-	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	-	-	—	—	—
Total capitalized lease obligations	—	—	—	—	-	-	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	-	-	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	-	-	—	—	—
Commercial Paper	—	—	—	—	-	-	—	—	—
Note Payable related to SRB	—	—	—	—	-	-	—	—	—
Other:									
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Add description	—	—	—	—	-	-	—	—	—
Total long-term debt obligations	—	—	—	—	-	-	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	-	-	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ 106,257	—	—	106,257	29,338	(8,352)	127,243	—	127,243

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2015	-	-	—
2016	-	-	—
2017	-	-	—
2018	-	-	—
2019	-	-	—
2020 - 2024	-	-	—
2025 - 2029	-	-	—
2030 - 2034	-	-	—
2035 - 2039	-	-	—
2040 - 2044	-	-	—
2045 - 2049	-	-	—
2050 - 2054	-	-	—
2055 - 2059	-	-	—
2060 - 2064	-	-	—
Total minimum lease payments	—	—	—
Less amounts representing interest			—
Present value of future minimum lease payments			—
Less: current portion			—
<b>Capitalized lease obligation, net of current portion</b>			<u>\$ —</u>

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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:								
2015	\$ -	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020 - 2024	-	-	-	-	-	-	-	-	-
2025 - 2029	-	-	-	-	-	-	-	-	-
2030 - 2034	-	-	-	-	-	-	-	-	-
2035 - 2039	-	-	-	-	-	-	-	-	-
2040 - 2044	-	-	-	-	-	-	-	-	-
2045 - 2049	-	-	-	-	-	-	-	-	-
2050 - 2054	-	-	-	-	-	-	-	-	-
2055 - 2059	-	-	-	-	-	-	-	-	-
2060 - 2064	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

7 Calculation of net position

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
<b>7.1 Calculation of net position - Net investment in capital assets</b>			
Capital assets, net of accumulated depreciation	\$ —	625,483	625,483
Capitalized lease obligations - current portion	—	—	—
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations - current portion	—	—	—
Long-term debt obligations, net of current portion	—	—	—
Portion of outstanding debt that is unspent at year-end	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - net investment in capital asset	\$ —	625,483	625,483
<b>7.2 Calculation of net position - Restricted for nonexpendable - endowments</b>			
Portion of restricted cash and cash equivalents related to endowments	\$ —	—	—
Endowment investments	—	—	—
Other adjustments: (please list)			
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Add description	—	—	—
Net position - Restricted for nonexpendable - endowments per SNP	\$ —	—	—

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**8 Transactions with Related Entities**

	Amount
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	140,979
Payments received from University for services, space, and programs	3,188,332
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)	—
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	3,018,723
Other amounts receivable from University	—

**9 Other Postemployment Benefits Obligation (OPEB)**

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

**10 Pollution remediation liabilities under GASB Statement No. 49:**

Description	Amount
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	—
Pollution remediation liabilities, net of current portion	—

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

	<u>Net Position Class</u>	<u>Amount Dr. (Cr.)</u>
Net position as of June 30, 2013, as previously reported		\$ 8,194,063
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		<u>\$ 8,194,063</u>

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

	<u>Debit</u>	<u>Credit</u>
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)	—	—