

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, 2019

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The Board of Directors  
Associated Students of San Francisco State University

**Report on the financial statements**

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, 2019, 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.

**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 standards applicable to financial audits contained in *Government 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, 2019, 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.

**Other matters***Supplementary information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 20-30 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 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.

*Report on 2018 summarized comparative information*

We have previously audited the Associated Students' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2018. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other reporting required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 23, 2019, on our consideration of the 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 the Associated Students' internal control over financial reporting and compliance.



San Francisco, CA  
September 23, 2019

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

The Board of Directors  
Associated Students of San Francisco State University

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 financial statements of Associated Students of San Francisco State University (the Associated Students) (a California State University Auxiliary Organization) as of June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2019.

### **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 opinion 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 the 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 the Associated Students' financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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 the 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 the 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 the 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 the Associated Students' internal control and compliance. Accordingly, this report is not suitable for any other purpose.



San Francisco, California  
September 23, 2019

**Associated Students of  
San Francisco State University**

Statement of Financial Position

*June 30, 2019 (with comparative totals for June 30, 2018)*

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Cash and cash equivalents                                      | \$ 3,856,080         | \$ 3,698,295         |
| Short-Term Investments   | 13,774,364           | 12,697,160           |
| Long-Term Investments  | 525,089              | 607,727              |
| Accounts receivable, net of allowance for doubtful<br>accounts | 605,407              | 201,670              |
| Student activity fees receivable                               | 3,297,161            | 3,530,888            |
| Prepaid expenses and other assets                              | 1,650                | 57,213               |
| Property and equipment, net                                    | 81,621               | 41,657               |
| Capitalized leasehold improvements, net                        | 234,088              | 204,871              |
| <b>Total assets</b>  | <b>\$ 22,375,460</b> | <b>\$ 21,039,481</b> |
| <b>Liabilities and Net Assets</b>                              |                      |                      |
| <b>Liabilities:</b>  |                      |                      |
| Accounts payable and accrued expenses                          | \$ 547,877           | \$ 840,716           |
| Deferred revenue   | 175,045              | 227,877              |
| Employee benefits payable                                      | 1,685,101            | 1,008,005            |
| <b>Total liabilities</b>                                       | <b>2,408,023</b>     | <b>2,076,598</b>     |
| <b>Net Assets:</b>   |                      |                      |
| Without Donor Restrictions:                                    | 19,967,437           | 18,865,168           |
| With Donor Restrictions:                                       | -                    | 97,715               |
| <b>Total net assets</b>  | <b>19,967,437</b>    | <b>18,962,883</b>    |
| <b>Total liabilities and net assets</b>                        | <b>\$ 22,375,460</b> | <b>\$ 21,039,481</b> |

**Associated Students of  
San Francisco State University**

**Statement of Activities and Changes in Net Assets**

*Year Ended June 30, 2019 (with comparative totals for June 30, 2018)*

|  | 2019                 |                 |                      | 2018                 |
|--|----------------------|-----------------|----------------------|----------------------|
|  | Without Donor        | With Donor      | Total                | Total                |
|  | Restrictions         | Restrictions    |                      |                      |
| <b>Revenue and Support:</b>            |                      |                 |                      |                      |
| Contribution and grants                | \$ 1,029,275         | \$ -            | \$ 1,029,275         | \$ 792,680           |
| Student activity fees                  | 6,728,225            | -               | 6,728,225            | 6,728,998            |
| Program fees                           | 1,288,591            | -               | 1,288,591            | 1,206,715            |
| Investment return, net                 | 454,941              | -               | 454,941              | 239,555              |
| Net assets released from restrictions: | 97,715               | (97,715)        | -                    | -                    |
| <b>Total revenue and support</b>       | <b>9,598,747</b>     | <b>(97,715)</b> | <b>9,501,032</b>     | <b>8,967,948</b>     |
| <b>Expenses:</b>                       |                      |                 |                      |                      |
| Student services                       | 3,640,298            | -               | 3,640,298            | 3,248,432            |
| Student government                     | 593,336              | -               | 593,336              | 627,539              |
| Community services                     | 550,445              | -               | 550,445              | 500,862              |
| Student organizations                  | 253,830              | -               | 253,830              | 439,875              |
| Management and general                 | 3,458,569            | -               | 3,458,569            | 2,926,012            |
| <b>Total expenses</b>                  | <b>8,496,478</b>     | <b>-</b>        | <b>8,496,478</b>     | <b>7,742,720</b>     |
| <b>Change in Net Assets</b>            | <b>1,102,269</b>     | <b>(97,715)</b> | <b>1,004,554</b>     | <b>1,225,228</b>     |
| <b>Other Net Asset Transfers</b>       | <b>-</b>             | <b>-</b>        | <b>-</b>             | <b>-</b>             |
| <b>Net Assets - Beginning of year</b>  | <b>18,865,168</b>    | <b>97,715</b>   | <b>18,962,883</b>    | <b>17,737,655</b>    |
| <b>Net Assets - End of year</b>        | <b>\$ 19,967,437</b> | <b>\$ -</b>     | <b>\$ 19,967,437</b> | <b>\$ 18,962,883</b> |



**Associated Students of  
San Francisco State University**

**Statement of Cash Flows**

*Year Ended June 30, 2019 (with comparative totals for June 30, 2018)*

|   | 2019                | 2018                |
|---|---------------------|---------------------|
| <b>Operating Activities:</b>  |                     |                     |
| Change in net assets  | \$ 1,004,554        | \$ 1,225,228        |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                     |                     |
| Depreciation and amortization   | 102,052             | 93,322              |
| Impairment of leasehold improvements  | -                   | 95,000              |
| Net realized and unrealized loss on investments   | 1,084               | 32,549              |
| Changes in:   |                     |                     |
| Receivables, net  | (117,381)           | (143,623)           |
| Prepaid expenses and other assets   | 2,935               | 44,005              |
| Accounts payable and accrued expenses   | 384,256             | (256,505)           |
| Deferred revenue  | (52,832)            | 33,523              |
| <b>Net cash provided by (used in) operating activities</b>  | <b>1,324,668</b>    | <b>1,123,499</b>    |
| <b>Investing Activities:</b>  |                     |                     |
| Purchase of investments   | (1,174,790)         | (1,903,790)         |
| Proceeds from sale of investments   | 179,140             | 756,835             |
| Purchase of property, equipment and leasehold improvements  | (171,233)           | (14,523)            |
| <b>Net cash (used in) investing activities</b>  | <b>(1,166,883)</b>  | <b>(1,161,478)</b>  |
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>157,785</b>      | <b>(37,979)</b>     |
| <b>Cash and Cash Equivalents, beginning of year</b>   | <b>3,698,295</b>    | <b>3,736,274</b>    |
| <b>Cash and Cash Equivalents, end of year</b>   | <b>\$ 3,856,080</b> | <b>\$ 3,698,295</b> |

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**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"):

*Net Assets without Donor Restrictions* – Net assets consist of all resources of the Associated Students that are not subject to donor-imposed restrictions. Net Assets without Donor Restrictions are available to support all of its programs, activities, facilities and operations.

*Net Assets with Donor Restrictions* – Net assets with donor-imposed restrictions are subject to donor and grant imposed stipulations. Some donor restrictions are temporary in nature; when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets are released from restriction.

Other donor restrictions that are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Associated Students do not have any net assets whose use 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.

In 2019, Associated Students adopted FASB statement 2016-14 *Presentation of Financial Statements of Not-For Profit Entities*. This new standard required the presentation of two net asset categories as described above, presentation of an analysis of expenses by function and disclosure of quantitative and qualitative information on liquidity.

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**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 is associated with 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, 2019 and 2018, the student activity fees receivable was \$3,297,161 and \$3,530,888, 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, 2019

**Note 2 - Summary of Significant Accounting Policies, Continued:**

e. Fair Value Measurement, 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, 2019.

f. Accounts Receivable, Net

Accounts receivable includes amounts due from Children Center, San Francisco State University and a note receivable assumed from the merger of the Cesar Chavez Student Center and Associated Students of San Francisco. Accounts receivable of \$605,407 as of June 30, 2019, is shown net of an allowance for uncollectible accounts of \$6,200.

g. 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.

h. 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 the Financial Accounting Standards Board (the "FASB") Accounting Standard Codification ("ASC") Topic 740 for accounting Open to changing date for uncertainty in income taxes. As of June 30, 2019, 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, 2014 through June 30, 2018 for federal tax purposes and the years ended June 30, 2013 through June 30, 2018 for California tax purposes.

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**Note 2 - Summary of Significant Accounting Policies, Continued:**

i. 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.

j. 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.

k. 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, 2018, from which the summarized information was derived.

l. Subsequent Events

The Associated Students evaluated subsequent events with respect to the financial statements for the year ended June 30, 2019 through September 23, 2019, 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, 2019, Investments consist of the following:

|                                     |    |                   |
|-------------------------------------|----|-------------------|
| Cash and Money Market Funds         | \$ | 66,815            |
| Corporate Bonds and Municipal Bonds |    | 722,984           |
| Local Agency Investment Fund        |    | 13,509,654        |
|                                     | \$ | <u>14,299,453</u> |

Net investment income for the year ended June 30, 2019 was comprised of net realized and unrealized loss on investments of \$(1,084) and interest on investments of \$456,025.

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**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, 2019, Associated Student's investments consist of cash and money market funds of \$66,815 and the following assets which are classified by level within the valuation hierarchy on a recurring basis at June 30, 2019, as follows:

|                              | 2019       |            |               |               |
|------------------------------|------------|------------|---------------|---------------|
|                              | Level 1    | Level 2    | NAV           | Total         |
| Corporate Bonds              | \$ 553,400 | \$ 149,384 | \$ -          | \$ 702,784    |
| Municipal Bonds              | 20,200     | -          | -             | 20,200        |
| Local Agency Investment Fund | -          | -          | 13,509,654    | 13,509,654    |
|                              | \$ 573,600 | \$ 149,384 | \$ 13,509,654 | \$ 14,232,638 |

**Note 5 - Property and Equipment:**

Property and equipment at June 30, 2019 consist of:

|   | 2019        |
|---|-------------|
| Equipment, furniture and fixtures               | \$ 855,151  |
| Leasehold improvements                          | 5,450,112   |
|   | 6,305,263   |
| Less: accumulated depreciation and amortization | (5,989,554) |
|   | \$ 315,709  |

**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, 2019 and 2018 was \$247,323 and \$237,958, respectively.

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**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 3.2%. The resulting liability was estimated and adjusted for the present value change of the discount and other considerations or changes to \$1,685,101 from \$1,008,005 as of June 30, 2019 and 2018, respectively. Benefits paid were \$50,820 during the year ended June 30, 2019.

**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. The current term of facility lease agreement commenced December 2017 and runs through June 30, 2022. Total capitalized leasehold improvements were \$5,450,112 and \$5,352,647 at June 30, 2019 and 2018, respectively. Accumulated amortization relating to the capitalized leasehold improvements was \$5,216,024 and \$5,147,776 at June 30, 2019 and 2018, respectively.

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**Note 9 - Related Parties:**

The Auxiliary Business Services Office of The University Corporation maintains the accounting records of the Associated Students and other campus auxiliary organizations. Operating costs for Auxiliary Business Services are allocated between such organizations based on usage. Fees for accounting services were \$510,768 for the year ended June 30, 2019.

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 \$1,047,073 for the year ended June 30, 2019. Included in this total are related party expenditures for year ended June 30, 2019 in the amount of \$75,543 for cost allocation cost reimbursement to San Francisco State University for services provide to auxiliaries. Associated Students did not owe an amount for cost reimbursement for the year ended June 30, 2018.

Effective August 1, 2017, 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 August 1, 2017 to July 31, 2024. 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 the common area and facilities upkeep costs. For the year ended June 30, 2019, the Associated Students reimbursed the University \$710,145 for its 46% share of the Student Center.

The University Corporation, San Francisco State (the "Corporation") contributed \$325,720 to Associated Students for the year ended June 30, 2019. 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 \$13,509,654 at June 30, 2019. At June 30, 2019, the Associated Students did have cash deposits in excess of federally insured limits.



**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**Note 11 - Net Assets with Donor Restrictions:**

As of June 30, 2019, net assets with Donor Restrictions was \$0.

**Note 12 - Governing Board Transactions:**

Compensation paid to student members of the Associated Students Governing Board for the years ended June 30, 2019 was \$225,776. These payments, which range from \$824 - \$1,442 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, 2019 relating to the Children's Center operations consisted of the following:

|                                    | 2019         |
|------------------------------------|--------------|
| <b>Assets:</b>                     |              |
| Cash Interfund                     | \$ 3,668,315 |
| Capitalized leasehold improvements | 234,088      |
|                                    | \$ 3,902,403 |
| <b>Net Assets</b>                  |              |
| Without Donor Restrictions         | \$ 3,902,403 |
|                                    | \$ 3,902,403 |

**Note 14 – Functional Expenses and Natural Account**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable and equitable basis which is determined by management. The expenses that are allocated include and the following:

| Expense               | Method of Allocation |
|-----------------------|----------------------|
| Salaries and Benefits | Percentage share     |
| Office and Occupancy  | Percentage share     |
| Professional Services | Percentage share     |
| Depreciation          | Specific location    |

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**Note 14 – Functional Expenses and Natural Account, Continued:**

**Functional Expenses and Natural Account  
FY 18-19**

|                                | Program Activities    |                       |                       |                          |                      | Supporting Activities     |                        |                     |
|--------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|----------------------|---------------------------|------------------------|---------------------|
|                                | Student<br>Services   | Student<br>Government | Community<br>Services | Student<br>Organizations | Programs<br>Subtotal | Management<br>and General | Supporting<br>Subtotal | Total Expenses      |
|                                | Salaries and benefits | \$ 2,915,864          | \$ 217,529            | \$ 456,961               | \$ 137,237           | \$ 3,727,591              | \$ 1,728,166           | \$ 1,728,166        |
| Grants to other organizations  | 5,750                 | -                     | -                     | -                        | 5,750                | -                         | -                      | 5,750               |
| Supplies and travel            | 321,435               | 114,784               | 35,741                | 87,016                   | 558,976              | 228,543                   | 228,543                | 787,519             |
| Services and professional fees | 232,426               | 238,919               | 22,403                | 7,968                    | 501,716              | 1,384,766                 | 1,384,766              | 1,886,482           |
| Office and occupancy           | 92,462                | 17,991                | 31,226                | 17,496                   | 159,175              | 99,743                    | 99,743                 | 258,918             |
| Depreciation                   | 72,360                | 4,114                 | 4,114                 | 4,113                    | 84,701               | 17,351                    | 17,351                 | 102,052             |
| <b>Total Expenses</b>          | <b>\$ 3,640,297</b>   | <b>\$ 593,337</b>     | <b>\$ 550,445</b>     | <b>\$ 253,830</b>        | <b>\$ 5,037,909</b>  | <b>\$ 3,458,569</b>       | <b>\$ 3,458,569</b>    | <b>\$ 8,496,478</b> |

**Functional Expenses and Natural Account  
FY 17-18**

|                                | Programs Subtotal   | Supporting<br>Subtotal | Total<br>Expenses   |
|--------------------------------|---------------------|------------------------|---------------------|
| Salaries and benefits          | \$ 3,375,835        | \$ 1,090,011           | \$ 4,465,846        |
| Grants to other organizations  | 27,000              | -                      | 27,000              |
| Supplies and travel            | 625,378             | 185,443                | 810,821             |
| Services and professional fees | 557,723             | 1,537,249              | 2,094,972           |
| Office and occupancy           | 148,027             | 102,732                | 250,759             |
| Depreciation                   | 82,745              | 10,577                 | 93,322              |
| <b>Total Expenses</b>          | <b>\$ 4,816,708</b> | <b>\$ 2,926,012</b>    | <b>\$ 7,742,720</b> |

**Note 15 – Liquidity**

Financial assets at year end:

|   |                      |
|---|----------------------|
|   | 2019                 |
| Cash and cash equivalents   | \$ 3,856,080         |
| Short Term Investments  | 13,774,364           |
| Receivables   | 3,902,568            |
| Other Assets  | 1,650                |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 21,534,662</u> |

**Associated Students of  
San Francisco State University**

Notes to Financial Statements  
June 30, 2019

**Note 15 – Liquidity, Continued:**

Associated Students, SFSU has \$ 21,534,662 of financial assets available within one year of the Statement of Financial Position at June 30, 2019 consisting of cash of \$3,856,080, receivables and other assets of \$ 3,904,218, and short term investments of \$13,774,364. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position ending June 30, 2019. Associated Students maintains financial assets, which consist of cash and short-term investments, on hand as part of its operating reserves to meet six months of normal operations. Associated Students, SFSU uses normal revenue generated from programs to meet normal operating expenses, which are, on average, approximately \$602,900 (unaudited) per month. As part of its liquidity management, Associated Students invests cash in excess of daily requirement in various short-term investments including Local Agency Investment Fund (LAIF).

**Associated Students of San Francisco State University**  
Schedule of Net Position  
June 30, 2019  
(for inclusion in the California State University)

Assets:

|  |              |
|--|--------------|
| Current assets:                                  |              |
| Cash and cash equivalents                        | \$ 3,856,080 |
| Short-term investments                           | 13,774,364   |
| Accounts receivable, net                         | 3,894,568    |
| Capital lease receivable, current portion        | -            |
| Notes receivable, current portion                | 8,000        |
| Pledges receivable, net                          | -            |
| Prepaid expenses and other current assets        | 1,650        |
| Total current assets                             | 21,534,662   |
| Noncurrent assets:                               |              |
| Restricted cash and cash equivalents             | -            |
| Accounts receivable, net                         | -            |
| Capital lease receivable, net of current portion | -            |
| Notes receivable, net of current portion         | -            |
| Student loans receivable, net                    | -            |
| Pledges receivable, net                          | -            |
| Endowment investments                            | -            |
| Other long-term investments                      | 525,089      |
| Capital assets, net                              | 315,709      |
| Other assets                                     | -            |
| Total noncurrent assets                          | 840,798      |
| Total assets                                     | 22,375,460   |
| Deferred outflows of resources:                  |              |
| Unamortized loss on debt refunding               | -            |
| Net pension liability                            | -            |
| Net OPEB liability                               | -            |
| Others   | -            |
| Total deferred outflows of resources             | -            |

**Associated Students of San Francisco State University**  
Schedule of Net Position - Continued  
June 30, 2019  
(for inclusion in the California State University)

Liabilities:

Current liabilities:

|   |                |
|---|----------------|
| Accounts payable  | 421,737        |
| Accrued salaries and benefits   | 53,064         |
| Accrued compensated absences, current portion                             | -              |
| Unearned revenues   | 175,045        |
| Capital lease obligations, current portion                                | -              |
| Long-term debt obligations, current portion                               | -              |
| Claims liability for losses and loss adjustment expenses, current portion | -              |
| Depository accounts   | -              |
| Other liabilities   | 73,075         |
|   | <u>722,921</u> |
| Total current liabilities   | <u>722,921</u> |

Noncurrent liabilities:

|  |                  |
|--|------------------|
| Accrued compensated absences, net of current portion                             | 202,241          |
| Unearned revenues  | -                |
| Grants refundable  | -                |
| Capital 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  | -                |
| Net other postemployment benefits liability                                      | 1,482,860        |
| Net pension liability  | -                |
| Other liabilities  | -                |
|  | <u>1,685,101</u> |
| Total noncurrent liabilities   | <u>1,685,101</u> |
| Total liabilities  | <u>2,408,022</u> |

Deferred inflows of resources:

|                                     |          |
|-------------------------------------|----------|
| Service concession arrangements     | -        |
| Net pension liability               | -        |
| Net OPEB liability                  | -        |
| Unamortized gain on debt refunding  | -        |
| Nonexchange transactions            | -        |
| Others                              | -        |
|                                     | <u>-</u> |
| Total deferred inflows of resources | <u>-</u> |

Net Position:

|                                  |                      |
|----------------------------------|----------------------|
| Net investment in capital assets | 171,233              |
| Restricted for:                  | -                    |
| Nonexpendable – endowments       | -                    |
| Expendable:                      | -                    |
| Scholarships and fellowships     | -                    |
| Research                         | -                    |
| Loans                            | -                    |
| Capital projects                 | -                    |
| Debt service                     | -                    |
| Others                           | -                    |
| Unrestricted                     | 19,796,204           |
|                                  | <u>19,796,204</u>    |
| Total net position               | <u>\$ 19,967,437</u> |

**Associated Students of San Francisco State University**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**June 30, 2019**  
(for inclusion in the California State University)

Revenues:

|  |    |                  |
|--|----|------------------|
| Operating revenues:                                |    |                  |
| Student tuition and fees, gross                    | \$ | 6,728,225        |
| Scholarship allowances (enter as negative)         |    | -                |
| Grants and contracts, noncapital:                  |    |                  |
| Federal  |    | 318,152          |
| State  |    | 96,721           |
| Local  |    | 608,342          |
| Nongovernmental                                    |    | 6,059            |
| Sales and services of educational activities       |    | -                |
| Sales and services of auxiliary enterprises, gross |    | -                |
| Scholarship allowances (enter as negative)         |    | -                |
| Other operating revenues                           |    | 1,288,592        |
| Total operating revenues                           |    | <u>9,046,091</u> |

Expenses:

|                                    |  |                  |
|------------------------------------|--|------------------|
| Operating expenses:                |  |                  |
| Instruction                        |  | -                |
| Research                           |  | -                |
| Public service                     |  | -                |
| Academic support                   |  | -                |
| Student services                   |  | 4,258,181        |
| Institutional support              |  | 3,346,912        |
| Operation and maintenance of plant |  | 783,833          |
| Student grants and scholarships    |  | 5,500            |
| Auxiliary enterprise expenses      |  | -                |
| Depreciation and amortization      |  | 102,052          |
| Total operating expenses           |  | <u>8,496,478</u> |
| Operating income (loss)            |  | <u>549,613</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  |  | 454,941        |
| Endowment income (loss), net   |  | -              |
| Interest expense   |  | -              |
| Other nonoperating revenues (expenses) - excl. interagency transfers |  | -              |
| Other nonoperating revenues (expenses) - interagency transfers       |  | -              |
| Net nonoperating revenues (expenses)                                 |  | <u>454,941</u> |
| Income (loss) before other revenues (expenses)                       |  | 1,004,554      |

|  |  |           |
|--|--|-----------|
| State appropriations, capital                  |  | -         |
| Grants and gifts, capital                      |  | -         |
| Additions (reductions) to permanent endowments |  | -         |
| Increase (decrease) in net position            |  | 1,004,554 |

Net position:

|   |    |                   |
|---|----|-------------------|
| Net position at beginning of year, as previously reported |    | 18,962,883        |
| Restatements  |    | -                 |
| Net position at beginning of year, as restated            |    | <u>18,962,883</u> |
| Net position at end of year                               | \$ | <u>19,967,437</u> |

**Associated Students of San Francisco State University**

Other Information

June 30, 2019

(for inclusion in the California State University)

**1 Cash and cash equivalents:**

|   |                     |
|---|---------------------|
| Portion of restricted cash and cash equivalents related to endowments |                     |
| All other restricted cash and cash equivalents                        | \$ -                |
| <b>Noncurrent restricted cash and cash equivalents</b>                | <b>-</b>            |
| Current cash and cash equivalents                                     | 3,856,080           |
| <b>Total</b>  | <b>\$ 3,856,080</b> |

**2.1 Composition of investments:**

|  | <b>Current</b>       | <b>Noncurrent</b> | <b>Total</b>      |
|--|----------------------|-------------------|-------------------|
| Money market funds                                       | \$ 66,815            | -                 | <b>66,815</b>     |
| Repurchase agreements                                    | -                    | -                 | -                 |
| Certificates of deposit                                  | -                    | -                 | -                 |
| U.S. agency securities                                   | -                    | -                 | -                 |
| U.S. treasury securities                                 | -                    | -                 | -                 |
| Municipal bonds  | 20,200               | -                 | <b>20,200</b>     |
| Corporate bonds  | 177,695              | 525,089           | <b>702,784</b>    |
| Asset backed securities                                  | -                    | -                 | -                 |
| Mortgage backed securities                               | -                    | -                 | -                 |
| Commercial paper   | -                    | -                 | -                 |
| Mutual funds   | -                    | -                 | -                 |
| Exchange traded funds                                    | -                    | -                 | -                 |
| Equity securities  | -                    | -                 | -                 |
| 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)        | -                    | -                 | -                 |
| Other investments  | -                    | -                 | -                 |
| State of California Local Agency Investment Fund (LAIF)  | 13,509,654           | -                 | <b>13,509,654</b> |
| State of California Surplus Money Investment Fund (SMIF) | -                    | -                 | -                 |
| <b>Total investments</b>                                 | <b>13,774,364</b>    | <b>525,089</b>    | <b>14,299,453</b> |
| Less endowment investments (enter as negative number)    | -                    | -                 | -                 |
| <b>Total investments, net of endowments</b>              | <b>\$ 13,774,364</b> | <b>525,089</b>    | <b>14,299,453</b> |

**Associated Students of San Francisco State University**  
Other Information  
June 30, 2019  
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**2.2 Fair value hierarchy in investments:**

|  | Total                | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Net Asset Value (NAV) |
|--|----------------------|---|--|--|-----------------------|
| Money market funds                                       | \$ 66,815            | 66,815  | -  | -  | -                     |
| Repurchase agreements                                    | -                    | -   | -  | -  | -                     |
| Certificates of deposit                                  | -                    | -   | -  | -  | -                     |
| U.S. agency securities                                   | -                    | -   | -  | -  | -                     |
| U.S. treasury securities                                 | -                    | -   | -  | -  | -                     |
| Municipal bonds  | 20,200               | 20,200  | -  | -  | -                     |
| Corporate bonds  | 702,784              | 553,400   | 149,384  | -  | -                     |
| Asset backed securities                                  | -                    | -   | -  | -  | -                     |
| Mortgage backed securities                               | -                    | -   | -  | -  | -                     |
| Commercial paper   | -                    | -   | -  | -  | -                     |
| Mutual funds   | -                    | -   | -  | -  | -                     |
| Exchange traded funds                                    | -                    | -   | -  | -  | -                     |
| Equity securities  | -                    | -   | -  | -  | -                     |
| 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)        | -                    | -   | -  | -  | -                     |
| Other investments  | -                    | -   | -  | -  | -                     |
| State of California Local Agency Investment Fund (LAIF)  | 13,509,654           | -   | -  | -  | 13,509,654            |
| State of California Surplus Money Investment Fund (SMIF) | -                    | -   | -  | -  | -                     |
| <b>Total investments</b>                                 | <b>\$ 14,299,453</b> | <b>640,415</b>  | <b>149,384</b>   | <b>-</b>   | <b>13,509,654</b>     |

**2.3 Investments held by the University under contractual agreements:**

|  | Current | Noncurrent | Total |
|--|---------|------------|-------|
| Investments held by the University under contractual agreements (e.g CSU Consolidated SWIFT Inv pool): |         |            | \$ -  |



**Associated Students of San Francisco State University**  
**Other Information**  
**June 30, 2019**  
**(for inclusion in the California State University)**

3.1 Composition of capital assets:

|   | Balance<br>June 30, 2018 | Reclassifications | Prior Period<br>Additions | Prior Period<br>Retirements | Balance<br>June 30, 2018<br>(Restated) | Additions        | Retirements | Transfer of<br>completed CWIP | Balance<br>June 30, 2019 |
|---|--------------------------|-------------------|---------------------------|-----------------------------|--|------------------|-------------|-------------------------------|--------------------------|
| <b>Non-depreciable/Non-amortizable capital assets:</b>  |                          |                   |                           |                             |  |                  |             |                               |                          |
| Land and land improvements  | \$ -                     | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Works of art and historical treasures   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Construction work in progress (CWIP)  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Intangible assets:  |                          |                   |                           |                             |  |                  |             |                               |                          |
| Rights and easements  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Patents, copyrights and trademarks  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Intangible assets in progress (PWIP)  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Licenses and permits  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Other intangible assets:  |                          |                   |                           |                             |  |                  |             |                               |                          |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| <b>Total intangible assets</b>  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| <b>Total non-depreciable/non-amortizable capital assets</b>   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| <b>Depreciable/Amortizable capital assets:</b>  |                          |                   |                           |                             |  |                  |             |                               |                          |
| Buildings and building improvements   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Improvements, other than buildings  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Infrastructure  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Leasehold improvements  | 5,352,647                | -                 | -                         | -                           | 5,352,647                              | 97,465           | -           | -                             | 5,450,112                |
| Personal property:  |                          |                   |                           |                             |  |                  |             |                               |                          |
| Equipment   | 781,383                  | -                 | -                         | -                           | 781,383                                | 73,768           | -           | -                             | 855,151                  |
| Library books and materials   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Intangible assets:  |                          |                   |                           |                             |  |                  |             |                               |                          |
| Software and websites   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Rights and easements  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Patents, copyrights and trademarks  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Licenses and permits  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Other intangible assets:  |                          |                   |                           |                             |  |                  |             |                               |                          |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| <b>Total intangible assets</b>  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| <b>Total depreciable/amortizable capital assets</b>   | <u>6,134,030</u>         | -                 | -                         | -                           | <u>6,134,030</u>                       | <u>171,233</u>   | -           | -                             | <u>6,305,263</u>         |
| <b>Total capital assets</b>   | <u>6,134,030</u>         | -                 | -                         | -                           | <u>6,134,030</u>                       | <u>171,233</u>   | -           | -                             | <u>6,305,263</u>         |
| <b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b> |                          |                   |                           |                             |  |                  |             |                               |                          |
| Buildings and building improvements   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Improvements, other than buildings  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Infrastructure  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Leasehold improvements  | (5,147,776)              | -                 | -                         | -                           | (5,147,776)                            | (68,247)         | -           | -                             | (5,216,023)              |
| Personal property:  |                          |                   |                           |                             |  |                  |             |                               |                          |
| Equipment   | (739,726)                | -                 | -                         | -                           | (739,726)                              | (33,805)         | -           | -                             | (773,531)                |
| Library books and materials   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Intangible assets:  |                          |                   |                           |                             |  |                  |             |                               |                          |
| Software and websites   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Rights and easements  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Patents, copyrights and trademarks  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Licenses and permits  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| Other intangible assets:  |                          |                   |                           |                             |  |                  |             |                               |                          |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
|   | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| <b>Total intangible assets</b>  | -                        | -                 | -                         | -                           | -                                      | -                | -           | -                             | -                        |
| <b>Total accumulated depreciation/amortization</b>  | <u>(5,887,502)</u>       | -                 | -                         | -                           | <u>(5,887,502)</u>                     | <u>(102,052)</u> | -           | -                             | <u>(5,989,554)</u>       |
| <b>Total capital assets, net</b>  | \$ <u>246,528</u>        | -                 | -                         | -                           | \$ <u>246,528</u>                      | <u>69,181</u>    | -           | -                             | \$ <u>315,709</u>        |

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**3.2 Detail of depreciation and amortization expense:**

|   |                   |
|---|-------------------|
| Depreciation and amortization expense related to capital assets | \$ 102,052        |
| Amortization expense related to other assets                    | -                 |
| <b>Total depreciation and amortization</b>                      | <b>\$ 102,052</b> |

**4 Long-term liabilities:**

|   | Balance<br>June 30, 2018 | Prior Period<br>Adjustments/Reclas-<br>sifications | Balance<br>June 30, 2018<br>(Restated) | Additions | Reductions     | Balance<br>June 30, 2019 | Current Portion | Noncurrent<br>Portion |
|---|--------------------------|--|--|-----------|----------------|--------------------------|-----------------|-----------------------|
| 1. Accrued compensated absences                             | \$ 205,442               | -  | 205,442                                | -         | (3,201)        | 202,241                  | -               | 202,241               |
| 2. Claims liability for losses and loss adjustment expenses | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| <b>3. Capital lease obligations:</b>                        |                          |  |  |           |                |                          |                 |                       |
| Gross balance   | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| Unamortized net premium/(discount)                          | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| <b>Total capital lease obligations</b>                      | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| <b>4. Long-term debt obligations:</b>                       |                          |  |  |           |                |                          |                 |                       |
| 4.1 Auxiliary revenue bonds (non-SRB related)               | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| 4.2 Commercial paper  | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| 4.3 Notes payable (SRB related)                             | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| 4.4 Others:   |                          |  |  |           |                |                          |                 |                       |
|   | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
|   | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
|   | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
|   | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| Total others  | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| <b>Sub-total long-term debt</b>                             | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| 4.5 Unamortized net bond premium/(discount)                 | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| <b>Total long-term debt obligations</b>                     | -                        | -  | -                                      | -         | -              | -                        | -               | -                     |
| <b>Total long-term liabilities</b>                          | <b>\$ 205,442</b>        | <b>-</b>   | <b>205,442</b>                         | <b>-</b>  | <b>(3,201)</b> | <b>202,241</b>           | <b>-</b>        | <b>202,241</b>        |

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5 Capital lease obligations schedule:

|  | Capital lease obligations related to SRB |               |                        | All other capital lease obligations |               |                        | Total capital lease obligations |               |                        |
|--|--|---------------|------------------------|-------------------------------------|---------------|------------------------|---------------------------------|---------------|------------------------|
|  | Principal Only                           | Interest Only | Principal and Interest | Principal Only                      | Interest Only | Principal and Interest | Principal Only                  | Interest Only | Principal and Interest |
| <b>Year ending June 30:</b>                              |  |               |                        |                                     |               |                        |                                 |               |                        |
| 2020   | \$ -                                     | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2021   | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2022   | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2023   | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2024   | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2025 - 2029  | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2030 - 2034  | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2035 - 2039  | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2040 - 2044  | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| 2045 - 2049  | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| Thereafter   | -  | -             | -                      | -                                   | -             | -                      | -                               | -             | -                      |
| <b>Total minimum lease payments</b>                      | <b>\$ -</b>                              | <b>-</b>      | <b>-</b>               | <b>-</b>                            | <b>-</b>      | <b>-</b>               | <b>-</b>                        | <b>-</b>      | <b>-</b>               |
| Less: amounts representing interest                      |  |               |                        |                                     |               |                        |                                 |               | -                      |
| <b>Present value of future minimum lease payments</b>    |  |               |                        |                                     |               |                        |                                 |               | <b>-</b>               |
| Unamortized net premium/(discount)                       |  |               |                        |                                     |               |                        |                                 |               | -                      |
| <b>Total capital lease obligations</b>                   |  |               |                        |                                     |               |                        |                                 |               | <b>-</b>               |
| Less: current portion                                    |  |               |                        |                                     |               |                        |                                 |               | -                      |
| <b>Capital lease obligations, net of current portion</b> |  |               |                        |                                     |               |                        |                                 |               | <b>\$ -</b>            |

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6 Long-term debt obligations schedule:

|   | Auxiliary revenue bonds (non-SRB related) |               |                        | 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 |
| <b>Year ending June 30:</b>                               |   |               |                        |                                      |               |                        |                                  |               |                        |
| 2020  | \$ -                                      | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2021  | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2022  | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2023  | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2024  | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2025 - 2029   | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2030 - 2034   | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2035 - 2039   | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2040 - 2044   | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| 2045 - 2049   | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| Thereafter  | -   | -             | -                      | -                                    | -             | -                      | -                                | -             | -                      |
| <b>Total minimum payments</b>                             | <b>\$ -</b>                               | <b>-</b>      | <b>-</b>               | <b>-</b>                             | <b>-</b>      | <b>-</b>               | <b>-</b>                         | <b>-</b>      | <b>-</b>               |
| Less: amounts representing interest                       |   |               |                        |                                      |               |                        |                                  |               | -                      |
| <b>Present value of future minimum payments</b>           |   |               |                        |                                      |               |                        |                                  |               | -                      |
| Unamortized net premium/(discount)                        |   |               |                        |                                      |               |                        |                                  |               | -                      |
| <b>Total long-term debt obligations</b>                   |   |               |                        |                                      |               |                        |                                  |               | -                      |
| Less: current portion                                     |   |               |                        |                                      |               |                        |                                  |               | -                      |
| <b>Long-term debt obligations, net of current portion</b> |   |               |                        |                                      |               |                        |                                  |               | <b>\$ -</b>            |

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**7 Transactions with related entities:**

|  |           |
|--|-----------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs | 1,047,073 |
| Payments to University for other than salaries of University personnel                                       | -         |
| Payments received from University for services, space, and programs  | 7,475,138 |
| 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   | (263,880) |
| Other amounts (payable to) University  | -         |
| Accounts receivable from University  | 137,800   |
| Other amounts receivable from University   | -         |

**8 Restatements/Prior period adjustments:**

**Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement/PPA:**

|                |                               |  |
|----------------|-------------------------------|--|
| Transaction #1 | Enter transaction description |  |
|----------------|-------------------------------|--|

|                       |
|-----------------------|
| <b>Debit/(Credit)</b> |
|-----------------------|

|                |                               |  |
|----------------|-------------------------------|--|
| Transaction #2 | Enter transaction description |  |
|----------------|-------------------------------|--|

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**9 Natural classifications of operating expenses:**

|                                    | Salaries            | Benefits - Other | Benefits - Pension | Benefits - OPEB | Scholarships and fellowships | Supplies and other services | Depreciation and amortization | Total operating expenses |
|------------------------------------|---------------------|------------------|--------------------|-----------------|------------------------------|-----------------------------|-------------------------------|--------------------------|
| Instruction                        | \$ -                | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Research                           | -                   | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Public service                     | -                   | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Academic support                   | -                   | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Student services                   | 2,713,254           | 662,722          | -                  | -               | -                            | 882,205                     | -                             | 4,258,181                |
| Institutional support              | 1,375,495           | 930,888          | -                  | -               | -                            | 1,040,529                   | -                             | 3,346,912                |
| Operation and maintenance of plant | -                   | -                | -                  | -               | -                            | 783,833                     | -                             | 783,833                  |
| Student grants and scholarships    | -                   | -                | -                  | -               | 5,500                        | -                           | -                             | 5,500                    |
| Auxiliary enterprise expenses      | -                   | -                | -                  | -               | -                            | -                           | -                             | -                        |
| Depreciation and amortization      | -                   | -                | -                  | -               | -                            | -                           | 102,052                       | 102,052                  |
| <b>Total operating expenses</b>    | <b>\$ 4,088,749</b> | <b>1,593,610</b> | <b>-</b>           | <b>-</b>        | <b>5,500</b>                 | <b>2,706,567</b>            | <b>102,052</b>                | <b>8,496,478</b>         |

**10 Deferred outflows/inflows of resources:**

**1. Deferred Outflows of Resources**

- Deferred outflows - unamortized loss on refunding(s)
- Deferred outflows - net pension liability
- Deferred outflows - net OPEB liability
- Deferred outflows - others:

|   |             |
|---|-------------|
| Total deferred outflows - others            | -           |
| <b>Total deferred outflows of resources</b> | <b>\$ -</b> |

**2. Deferred Inflows of Resources**

- Deferred inflows - service concession arrangements
- Deferred inflows - net pension liability
- Deferred inflows - net OPEB liability
- Deferred inflows - unamortized gain on debt refunding(s)
- Deferred inflows - nonexchange transactions
- Deferred inflows - others:

|  |             |
|--|-------------|
| Total deferred inflows - others            | -           |
| <b>Total deferred inflows of resources</b> | <b>\$ -</b> |