

**ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY
(COMPONENT UNIT OF SAN FRANCISCO STATE UNIVERSITY)**

**FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION,
AND INDEPENDENT AUDITORS' REPORT**

June 30, 2023

(With Summarized Comparative Totals for June 30, 2022)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Associated Students of San Francisco State University

Opinion

We have audited the accompanying financial statements of Associated Students of San Francisco State University (a California State University Auxiliary Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

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 ("the Organization" or "Associated Students") as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 21-36 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 2023 on our consideration of the Organization's 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 solely 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 the Organization's 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 Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Long Beach, California
September 19, 2023

Associated Students of San Francisco State University

STATEMENT OF FINANCIAL POSITION

June 30, 2023 (with comparative totals for June 30, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 667,683	\$ 3,682,493
Short-term investments	21,134,085	18,549,380
Long-term investments	520,353	632,472
Accounts receivable, net of allowance for doubtful accounts	434,527	482,300
Prepaid expenses and other assets	9,322	90
Property and equipment, net	263,850	284,739
Capitalized leasehold improvements, net	365,831	46,353
	<u> </u>	<u> </u>
Total assets	<u>\$ 23,395,651</u>	<u>\$ 23,677,827</u>
 Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 795,370	\$ 370,494
Accrued vacation	404,720	399,042
Deferred revenue	23,207	16,927
Employee benefits payable	3,209,678	3,587,036
	<u> </u>	<u> </u>
Total liabilities	<u>4,432,975</u>	<u>4,373,499</u>
 Net assets without donor restrictions		
Undesignated	15,049,724	15,491,376
Internally designated - Children's Center	3,912,952	3,812,952
	<u> </u>	<u> </u>
Total net assets without donor restrictions	<u>18,962,676</u>	<u>19,304,328</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 23,395,651</u>	<u>\$ 23,677,827</u>

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

Associated Students of San Francisco State University

STATEMENT OF ACTIVITIES

Year ended June 30, 2023 (with comparative totals for June 30, 2022)

	2023	2022
Revenue and Support:		
Contribution and grants	\$ 1,382,197	\$ 1,007,485
Service fees	5,978,315	6,408,389
Program fees	1,258,146	764,898
Investment return, net	422,578	35,453
	<u>9,041,236</u>	<u>8,216,225</u>
Expenses:		
Program Services		
Student services	4,738,448	4,281,987
Student government	821,215	721,984
Community services	1,094,547	1,030,728
Student organizations	502,741	452,349
Management and general	2,964,722	2,493,649
	<u>10,121,673</u>	<u>8,980,697</u>
Change in net assets without donor restrictions before change in employee benefits liability	(1,080,437)	(764,472)
Change in employee benefits liability	738,785	1,646,068
	<u>(341,652)</u>	<u>881,596</u>
Change in net assets without donor restrictions		
Net assets without donor restrictions, beginning of year	19,304,328	18,422,732
Net assets without donor restrictions, end of year	<u>\$ 18,962,676</u>	<u>\$ 19,304,328</u>

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

Associated Students of San Francisco State University

STATEMENT OF CASH FLOWS

Year ended June 30, 2023 (with comparative totals for June 30, 2022)

	2023	2022
Operating Activities:		
Change in net assets without donor restrictions	\$ (341,652)	\$ 881,596
Adjustments to reconcile change in net assets without donor restrictions to net cash used in operating activities:		
Depreciation and amortization	77,994	69,100
Net realized and unrealized loss on investments	27,479	59,511
Changes in:		
Accounts receivable, net of allowance for doubtful accounts	47,773	(187,011)
Prepaid expenses and other assets	(9,232)	6,070
Accounts payable and accrued expenses	424,876	66,907
Accrued vacation	5,678	48,297
Deferred revenue	6,280	143
Employee benefits payable	(377,358)	(998,920)
Net cash used in operating activities	<u>(138,162)</u>	<u>(54,307)</u>
Investing Activities:		
Purchase of investments	(9,515,528)	(2,938,884)
Proceeds from sale of investments	7,015,463	4,131,492
Purchase of property, equipment and leasehold improvements	<u>(376,583)</u>	<u>(285,681)</u>
Net cash (used in) provided by investing activities	<u>(2,876,648)</u>	<u>906,927</u>
Net change in cash and cash equivalents	(3,014,810)	852,620
Cash and cash equivalents, beginning of year	<u>3,682,493</u>	<u>2,829,873</u>
Cash and cash equivalents, end of year	<u>\$ 667,683</u>	<u>\$ 3,682,493</u>

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

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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 "University"). The Associated Students operates student programs and activities for the benefit of the students of the University. Such programs and activities are funded primarily from student activity and program fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 accounting principles generally accepted in the United States of America ("U.S. 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, the following classes of net assets as prescribed for not-for-profit organizations by the Financial Accounting Standards Board ("FASB") report all financial transactions:

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 as net assets are released from restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated be maintained in perpetuity. At June 30, 2023, there were no net assets with perpetual or temporary restrictions.

Revenue Recognition

Contribution and grant revenue is recognized when cash, securities, other assets, a promise to give, or a notification of beneficial interest is received unconditionally. Conditional contributions received are accounted for as a liability, until conditions are met, at which point the transaction is recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditions must have:

- One or more barriers to overcome before a recipient is entitled to the assets transferred or promised; and
- A right of return to the provider for assets transferred (or for a reduction, settlement, or cancellation of liabilities), or a right of release of the promisor from its obligation to transfer assets (or reduce, settle, or cancel liabilities).

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Associated Students is party to conditional grants with grant terms through September 30, 2023, and additional funding of \$197,739 that has not been recognized at June 30, 2023 because certain performance obligations have not been met.

Contributions and grants are reviewed for restrictions imposed by donors to determine if the contribution or grant should be classified as net assets with donor restrictions or net assets without donor restrictions. The Associated Students report donor-restricted contributions whose restrictions are met in the same reporting period as revenue recognized as support within net assets without donor restrictions. There were no contributions with restrictions received during the year ended June 30, 2023.

The Associated Students has contract revenue consisting of Commission Fees, Childcare Tuition, Service Fee associated with the Student Activity fees and Student Center fees and Technical Services. Revenue is recognized when a performance obligation is satisfied when there is a transfer of control of the asset or at the time the good or service is consumed. Contracts are satisfied over the time of the contract. The transaction price is determined using fixed and variable amounts. The Associated Students recognizes service fees revenue as it is earned at the end of each semester and revenue is requested after each semester. The Associated Students is required under Title 5 Section 42403(a) of the California Code of Regulations, to have the student activity fees collected by the University in a campus trust account. At June 30, 2023 and 2022, the service fees for student activities earned was \$5,978,315 and \$6,408,389, respectively.

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

Recently Adopted Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, Leases. The primary change in GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the balance sheet a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 Topic 842 is effective for fiscal years beginning after December 15, 2021. On July 17, 2019, FASB voted to propose delaying the effective date by one year. Lessees must apply a modified retrospective transition approach for leases existing at, or entered after, the beginning of the earliest comparative period presented in the financial statements. The Associated Students has adopted and evaluated the effect of ASU 2016-02 Topic 842 and there are no leases to disclose on its financial statements and related disclosures.

Cash and Cash Equivalents

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

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.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, net

Accounts receivable includes amounts due from the Early Childcare Education Center (ECEC), San Francisco State University and a note receivable assumed from the merger of the Cesar Chavez Student Center and the Associated Students of San Francisco. Accounts receivable was \$434,527 and \$482,300 at June 30, 2023 and 2022, respectively. Allowance for uncollectible accounts was \$0 and \$4,000 at June 30, 2023 and 2022, respectively.

Property, 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.

Deferred Revenue

Deferred revenue consists primarily of tuitions and fees collected in advance for summer sessions at ECEC.

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 FASB Accounting Standards Codification ("ASC") Topic 740 for accounting for uncertainty in income taxes. At June 30, 2023, 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 statute of limitations for federal and California state purposes is generally three and four years, respectively.

Functional Allocation of Expenses

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

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Associated Students' financial statements and notes for the year ended June 30, 2022, from which the summarized information was derived.

Subsequent Events

Management has evaluated the impact of any subsequent events through [REPORT DATE], the date on which the accompanying financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Investments consists of the following as of June 30, 2023:

	Fair Value	Investment Maturities (Years)				Other
		<1	1 - 5	6 - 10	10+	
Local Agency Investment Fund	\$ 20,863,747	\$ 20,863,747	\$ -	\$ -	\$ -	\$ -
Cash and Money Market Funds	13,660	13,660	-	-	-	-
Treasury Bonds	79,240	79,240	-	-	-	-
Corporate Bonds	697,791	177,438	520,353	-	-	-
	<u>\$ 21,654,438</u>	<u>\$ 21,134,085</u>	<u>\$ 520,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 – INVESTMENTS (CONTINUED)

Investment return for the year ending on June 30, 2023 consists of the following:

	2023
Interest and dividends	\$ 452,032
Realized and unrealized loss	(27,479)
Management Fees	(1,975)
	\$ 422,578

The Local Agency Investment Fund 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

The Associated Students’ investments are classified by level within the valuation hierarchy on a recurring basis at June 30, 2023, as follows:

	Level 1	Level 2	Level 3	NAV	Total
Local Agency Investment Fund	\$ -	\$ -	\$ -	\$ 20,863,747	\$ 20,863,747
Cash and Money					
Market Funds	13,660	-	-	-	13,660
Treasury Bonds	79,240	-	-	-	79,240
Corporate Bonds	-	697,791	-	-	697,791
	\$ 92,900	\$ 697,791	\$ -	\$ 20,863,747	\$ 21,654,438

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 consist of:

Equipment, furniture and fixtures	\$ 1,089,119
Less accumulated depreciation	<u>(825,269)</u>
Property and equipment, net	<u>\$ 263,850</u>
Leasehold Improvements	\$ 5,505,000
Construction in progress	<u>315,575</u>
	5,820,575
Less: accumulated amortization	<u>(5,454,744)</u>
Capitalized leasehold improvement, net	<u>\$ 365,831</u>

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, 2023 and 2022 were \$296,679 and \$277,633, respectively.

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 did 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. Effective January 1, 2018, the Associated Students changed its retirement plan to include post-retirement health care benefits for all employees of the Associated Students who vest. The present value of future expected healthcare benefits was calculated using actuarial assumptions based on the benefits provided, premium increases, and assumptions disclosed in the tables below. Reporting information under ASC 715-60 for 2022/2023 fiscal year is based on a roll-forward of the June 30, 2022 Actuarial Valuation assuming actual experience matched expected experience. The June 30, 2023 accumulated post-retirement benefit obligation, APBO, was adjusted to the appropriate June 30, 2023 discount rate.

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 – EMPLOYEE BENEFITS PAYABLE (CONTINUED)

The following table provides a reconciliation of the changes in the employee benefits liability and the funded status at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Benefit obligation at beginning of year	\$ 3,587,036	\$ 4,585,956
Service cost	217,749	378,454
Interest cost	141,062	132,153
Actuarial (gain) / loss	(679,984)	(1,451,635)
Benefits paid	<u>(56,185)</u>	<u>(57,892)</u>
Benefit obligation at end of year	3,209,678	3,587,036
Fair value of plan assets at beginning of year		
Employer contributions	56,185	57,892
Benefits paid	<u>(56,185)</u>	<u>(57,892)</u>
Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
Unfunded benefit obligation at end of year	<u>\$ 3,209,678</u>	<u>\$ 3,587,036</u>

The following table provides the components of the net periodic benefit cost for the plan, which was included in total expenses in the statements of activities for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Service cost	\$ 217,749	\$ 378,454
Interest cost	141,062	132,153
Amortization of prior service cost	254,003	254,003
Amortization of net loss / (gain)	<u>(195,202)</u>	<u>(59,570)</u>
Net periodic benefit cost	<u>\$ 417,612</u>	<u>\$ 705,040</u>

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 – EMPLOYEE BENEFITS PAYABLE (CONTINUED)

The following table provides plan items not yet recognized as a component of periodic plan expenses, but included as a separate charge to net assets at June 30, 2023 and 2022:

	2023	2022
Prior service cost	\$ 2,906,660	\$ 3,160,663
Actuarial gains, net	(2,990,712)	(2,505,930)
	\$ (84,052)	\$ 654,733

The change in the prior service cost and the actuarial gains (loss) for the years ended June 30, 2023 and 2022 was \$738,785 and \$1,646,068, respectively, which was recognized as a charge (credit) to net assets in the statements of activities. Prior service cost of \$254,003 and actuarial gain of \$242,704 are expected to be recognized as components of net periodic benefit cost over the next fiscal year.

The following weighted-average assumptions were used to determine OPEB expense:

	2023	2022
Discount rate	4.50%	2.90%
Expected long-term return on plan assets	N/A	N/A

Assumed health care cost trend rates:

Rate assumed for following year:

	2023	2022
	Actual Increases	Actual Increases
Pre-Medicare	6.25%	6.50%
Post-Medicare – Kaiser	4.60%	4.70%
Post-Medicare – Non-Kaiser	5.50%	5.70%
Ultimate rate	4.00%	4.00%
Year ultimate rate reached	2075	2075

A one-percentage-point change in assumed health care cost trend rate would have the following effects:

	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on accumulated benefit obligation as of June 30, 2023	\$ 702,540	\$ (544,234)
Effect on 2022/2023 annual aggregate service and interest costs	\$ 99,838	\$ (74,196)

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 – EMPLOYEE BENEFITS PAYABLE (CONTINUED)

The Associated Students estimates employer contributions of \$63,000 to be paid to the plan during the next fiscal year. Future benefit payments under the plan are as follows:

<u>Year ending June 30,</u>		
2024	\$	62,835
2025	\$	70,515
2026	\$	77,962
2027	\$	73,471
2028	\$	79,065
2029-2033	\$	574,245

NOTE 8 - CAPITALIZED LEASEHOLD IMPROVEMENTS AND LEASE OBLIGATION

The Associated Students' capitalized leasehold improvements are related to capital improvements made to the Children's Center on land, which is leased from the Board of Trustees of the California State University (the "Trustees"). The Associated Students facility lease with the Trustees for the facility of the Children's Center, the current term of the facility lease agreement commenced December 2017 and runs through June 30, 2023. During the fiscal year, the facility lease agreement was amended to extend the lease term through July 30, 2027. Total capitalized leasehold improvements were \$5,820,575 and \$5,497,084 at June 30, 2023 and 2022, respectively. Accumulated amortization relating to the capitalized leasehold improvements was \$5,454,744 and \$5,450,731 at June 30, 2023 and 2022, respectively.

NOTE 9 – TRANSACTIONS WITH RELATED ENTITIES

Associated Students is an auxiliary organization affiliated with the University and the California State University (CSU) System statewide. Associated Students is also affiliated with The University Corporation, San Francisco State (the "Corporation"), an auxiliary organization of the University and CSU. The accompanying financial statements include transactions with related parties as of and for the years ended June 30, 2023 and 2022, as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Payments to the University for salaries of University personnel working on contracts, grants, and other programs	\$ 334,563	\$ 286,808
Payments to the University for other than salaries of University personnel	\$ 1,123,470	\$ 764,401
Payments to the Corporation for student support, reimbursements, and accounting services	\$ 523,749	\$ 467,566
Payments received from University for services, Spaces, and programs	\$ 6,642,231	\$ 6,916,274
Payments received from the Corporation	\$ 9,204	\$ -
Amounts payable to the University	\$ 229,293	\$ 118,429
Amounts due to the Corporation	\$ 157,654	\$ 95,592
Amounts due from the Corporation	\$ -	\$ 3,621
Accounts receivable from the University	\$ 275,921	\$ 325,561

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 – TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Effective August 1, 2017, the Associated Students entered into an operating agreement and lease (“Master Lease”) with the Board of Trustees (“Trustees”) of the California State University, 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. During the fiscal year, the Master Lease was amended with lease term from August 1, 2022 to August 1, 2032. The Associated Students will share usage with the Corporation. 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, 2023, the Associated Students incurred \$969,980 for its 46% share cost of the maintenance of the Student Center. Of this amount, \$749,333 is reimbursed and \$220,647 is payable to the University as of June 30, 2023.

The Corporation did not contribute to the Associated Students for the year ended June 30, 2023. The Corporation extended rent amendments to food vendors due to the campus population still below pre-pandemic levels. There was no residual net rental income after expenses 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 \$20,863,747 at June 30, 2023. From time to time, cash balances may exceed federally insured limits. The Associated Students has not experienced any previous losses in such accounts and believes it is not exposed to any significant credit risk on its cash.

NOTE 11 - GOVERNING BOARD TRANSACTIONS

Compensation paid to student members of the Associated Students Governing Board for the year ended June 30, 2023 was \$209,666. These payments, which range from \$849 - \$1,486 per month, are included in the statement of activities as student government expenses.

NOTE 12 - 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:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Percentage share
Office and occupancy	Percentage share
Professional services	Percentage share
Depreciation	Specific location
Supplies and travel	Specific location

Associated Students of San Francisco State University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 12 - FUNCTIONAL EXPENSES AND NATURAL ACCOUNT (CONTINUED)

An analysis of expenses by both natural classification and functional classification for the year ended June 30, 2023 follows:

	Program Activities						
	<u>Student Services</u>	<u>Student Government</u>	<u>Community Services</u>	<u>Student Organizations</u>	<u>Programs Subtotal</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and benefits	\$3,872,886	\$266,022	\$599,971	\$172,416	\$4,911,295	\$1,430,072	\$6,341,367
Grants to other organizations	17,137	-	-	-	17,137	-	17,137
Supplies and travel	383,929	85,917	83,647	89,621	643,114	155,657	798,771
Services and professional fees	376,194	422,021	263,934	197,561	1,259,710	1,083,632	2,343,342
Office and occupancy	75,042	38,007	137,747	33,895	284,691	258,371	543,062
Depreciation	<u>13,260</u>	<u>9,248</u>	<u>9,248</u>	<u>9,248</u>	<u>41,004</u>	<u>36,990</u>	<u>77,994</u>
Total Expenses	<u>\$4,738,448</u>	<u>\$821,215</u>	<u>\$1,094,547</u>	<u>\$502,741</u>	<u>\$7,156,951</u>	<u>\$2,964,722</u>	<u>\$10,121,673</u>

NOTE 13 - LIQUIDITY

Financial assets at the statement of financial position date available to meet general expenditures within one year of the statement of financial position date include:

Cash and cash equivalents	\$ 667,683
Short term investments	21,134,085
Receivables	<u>434,527</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 22,236,295</u>

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 ended June 30, 2023. The 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. The Associated Students uses normal revenue generated from programs to meet normal operating expenses, which are, on average, approximately \$432,000 (unaudited) per month. As part of its liquidity management, the Associated Students invests cash in excess of daily requirement in various short-term investments, including the LAIF.

NOTE 14 - SUBSEQUENT EVENTS

Associated Students continues to face low enrollment due to post global pandemic therefore we strive to align ourselves with the SF State strategic plan to increase in-person classes, activities, and programs. We also continue to evaluate space allocations of all AS programs and services to support the continual repopulation of the campus. The financial statement does not include any adjustments that might result from the outcome of any uncertainties.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Associated Students of San Francisco State University

We have audited, in accordance with the 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 (Associated Students) (a California State University Auxiliary Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students of San Francisco State University's internal control over financial reporting (internal control) as a basis for designing the 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 Associated Students' 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 internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Associated Students of San Francisco State University's 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*.

Purpose of this Report

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 communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
September 19, 2023

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

The auditors’ report expressed an unmodified opinion on whether the financial statements of Associated Students of San Francisco State University were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – None reported
2. Significant deficiencies identified? – None reported
3. Noncompliance material to financial statements noted? – No

SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT

None reported

SECTION III – STATUS OF CORRECTIVE ACTION ON PRIOR-YEAR FINDINGS

None reported

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF NET POSITION

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

Assets:

Current assets:	
Cash and cash equivalents	\$ 667,683
Short-term investments	21,134,085
Accounts receivable, net	434,527
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	9,322
Total current assets	<u>22,245,617</u>
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	520,353
Capital assets, net	629,681
Other assets	-
Total noncurrent assets	<u>1,150,034</u>
Total assets	<u>23,395,651</u>
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	<u>-</u>

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF NET POSITION

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

Liabilities:		(Continued)
Current liabilities:		
Accounts payable		506,565
Accrued salaries and benefits		178,012
Accrued compensated absences, current portion		404,720
Unearned revenues		23,207
Lease liabilities, current portion		-
SBITA liabilities - current portion		-
P3 liabilities - current portion		-
Long-term debt obligations, current portion		-
Claims liability for losses and loss adjustment expenses, current portion		-
Depository accounts		-
Other liabilities		110,793
Total current liabilities		<u>1,223,297</u>
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		-
Unearned revenues		-
Grants refundable		-
Lease liabilities, net of current portion		-
SBITA liabilities, net of current portion		-
P3 liabilities, 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		3,209,678
Net pension liability		-
Other liabilities		-
Total noncurrent liabilities		<u>3,209,678</u>
Total liabilities		<u>4,432,975</u>
Deferred inflows of resources:		
P3 service concession arrangements		-
Net pension liability		-
Net OPEB liability		-
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Leases		-
P3		-
Others		-
Total deferred inflows of resources		<u>-</u>
Net position:		
Net investment in capital assets		629,681
Restricted for:		
Nonexpendable – endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Others		-
Unrestricted		<u>18,332,995</u>
Total net position		<u>\$ 18,962,676</u>

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

(Continued)

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	-
Scholarship allowances (enter as negative)		-
Grants and contracts, noncapital:		
Federal		-
State		266,175
Local		993,444
Nongovernmental		122,578
Sales and services of educational activities		-
Sales and services of auxiliary enterprises, gross		-
Scholarship allowances (enter as negative)		-
Other operating revenues		7,236,461
Total operating revenues		<u>8,618,658</u>
Expenses:		
Operating expenses:		
Instruction		-
Research		-
Public service		-
Academic support		-
Student services		6,581,661
Institutional support		2,132,309
Operation and maintenance of plant		573,787
Student grants and scholarships		17,137
Auxiliary enterprise expenses		-
Depreciation and amortization		77,994
Total operating expenses		<u>9,382,888</u>
Operating income (loss)		<u>(764,230)</u>

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

(Continued)

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	422,578
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	-
Net nonoperating revenues (expenses)	<u>422,578</u>
Income (loss) before other revenues (expenses)	<u>(341,652)</u>
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>(341,652)</u>
Net position:	
Net position at beginning of year, as previously reported	19,304,328
Restatements	-
Net position at beginning of year, as restated	<u>19,304,328</u>
Net position at end of year	<u>\$ 18,962,676</u>

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

**SUPPLEMENTARY FINANCIAL INFORMATION
OTHER INFORMATION**

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

1. CASH AND CASH EQUIVALENTS:

Portion of restricted cash and cash equivalents related to endowments	\$	-
All other restricted cash and cash equivalents		-
Noncurrent restricted cash and cash equivalents		-
Current cash and cash equivalents		667,683
Total		<u>\$ 667,683</u>

2.1. COMPOSITION OF INVESTMENTS:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 13,660	\$ -	\$ 13,660
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	79,240	-	79,240
Municipal bonds	-	-	-
Corporate bonds	177,438	520,353	697,791
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	-	-	-
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	20,863,747	-	20,863,747
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments	-	-	-
Total investments	<u>21,134,085</u>	<u>520,353</u>	<u>21,654,438</u>
Less endowment investments	-	-	-
Total investments, net of endowments	<u>\$ 21,134,085</u>	<u>\$ 520,353</u>	<u>\$ 21,654,438</u>

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

SUPPLEMENTARY FINANCIAL INFORMATION

OTHER INFORMATION

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

(Continued)

2.2 FAIR VALUE HIERARCHY IN INVESTMENTS:

Investment Type	Total	FAIR VALUE MEASUREMENTS USING			Net Asset Value (NAV)
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money market funds	\$ 13,660	\$ 13,660	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	79,240	79,240	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	697,791	-	697,791	-	-
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	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU consolidated investment pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	20,863,747	-	-	-	20,863,747
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
Total investments	\$ 21,654,438	\$ 92,900	\$ 697,791	\$ -	\$ 20,863,747

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)	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

**SUPPLEMENTARY FINANCIAL INFORMATION
OTHER INFORMATION**

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

(Continued)

3.1. CAPITAL ASSETS, EXCLUDING ROU ASSETS:

Composition of capital assets, excluding ROU assets:	Balance					Transfers of			Balance June 30, 2023
	Balance June 30, 2022	Reclassifications	Prior-Period Additions	Prior-Period Retirements	June 30, 2022 (Restated)	Additions	Retirements	Completed CWIP/PWIP	
Nondepreciable/nonamortizable capital assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	36,357	-	-	-	36,357	279,218	-	-	315,575
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	36,357	-	-	-	36,357	279,218	-	-	315,575
Depreciable/amortizable capital assets:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	5,460,727	-	-	-	5,460,727	44,273	-	-	5,505,000
Personal property:									
Equipment	1,103,470	-	-	-	1,103,470	53,092	(67,443)	-	1,089,119
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	6,564,197	-	-	-	6,564,197	97,365	(67,443)	-	6,594,119
Total capital assets	6,600,554	-	-	-	6,600,554	376,583	(67,443)	-	6,909,694
Less accumulated depreciation/amortization:									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(5,450,731)	-	-	-	(5,450,731)	(4,013)	-	-	(5,454,744)
Personal property:									
Equipment	(818,731)	-	-	-	(818,731)	(73,981)	67,443	-	(825,269)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	(6,269,462)	-	-	-	(6,269,462)	(77,994)	67,443	-	(6,280,013)
Total capital assets, net excluding ROU assets	\$ 331,092	\$ -	\$ -	\$ -	\$ 331,092	\$ 298,589	\$ -	\$ -	\$ 629,681

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

**SUPPLEMENTARY FINANCIAL INFORMATION
OTHER INFORMATION**

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

(Continued)

CAPITAL ASSETS, RIGHT OF USE

Composition of capital assets - Lease ROU, net:	Balance	Prior-Period	Prior-Period	Prior-Period	Balance	Additions	Remeasurements	Reductions	Balance
	June 30, 2022	Reclassifications	Additions	Reductions	June 30, 2022 (Restated)				June 30, 2023
Nondepreciable/nonamortizable lease assets:									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total intangible assets	-	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable lease	-	-	-	-	-	-	-	-	-
Depreciable/amortizable lease assets:									
Land and land improvements									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable lease assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - lease ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Composition of capital assets - SBITA ROU, net	Balance	Prior-Period	Prior-Period	Prior-Period	Balance	Additions	Remeasurements	Reductions	Balance
	June 30, 2022	Reclassifications	Additions	Reductions	June 30, 2022 (Restated)				June 30, 2023
Depreciable/Amortizable SBITA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

**SUPPLEMENTARY FINANCIAL INFORMATION
OTHER INFORMATION**

JUNE 30, 2023

(for inclusion in the California State University Financial Statements)

(Continued)

CAPITAL ASSETS, RIGHT OF USE (CONTINUED)

Composition of capital assets - P3 ROU, net:	Balance		Prior-Period Additions	Prior-Period Reductions	Balance				Balance June 30, 2023
	June 30, 2022	Reclassifications			June 30, 2022 (Restated)	Additions	Remeasurements	Reductions	
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets, net including ROU assets									\$ 629,681

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3.2 DETAIL OF DEPRECIATION AND AMORTIZATION EXPENSE:

	<u>Amount</u>
Depreciation and amortization expense related to capital assets	\$ 77,994
Depreciation and amortization expense - capital assets, excluding ROU assets	-
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Amortization expense related to other assets	-
Total depreciation and amortization	<u>\$ 77,994</u>

4. LONG-TERM LIABILITIES:

	<u>Balance</u>		<u>Prior-Period</u>		<u>Balance</u>		<u>Balance</u>		<u>Current</u>	<u>Noncurrent</u>
	<u>June 30, 2022</u>		<u>Adjustments</u>		<u>June 30, 2022</u>		<u>June 30, 2023</u>		<u>Portion</u>	<u>Portion</u>
		<u>Reclassifications</u>		<u>(Restated)</u>	<u>Additions</u>	<u>Reductions</u>				
1. Accrued compensated absences	\$ 399,042	\$ -	\$ -	\$ 399,042	\$ 73,617	\$ (67,939)	\$ 404,720	\$ -	\$ -	\$ 404,720
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):										
Gross balance	-	-	-	-	-	-	-	-	-	-
Unamortized premium/(discount)	-	-	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-	-	-
4. Long-term debt obligations:										
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-	-	-
4.2 Commercial Paper	-	-	-	-	-	-	-	-	-	-
4.3 Note payable (SRB related)	-	-	-	-	-	-	-	-	-	-
4.4 Finance purchase of capital assets	-	-	-	-	-	-	-	-	-	-
4.5 Others:	-	-	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-	-	-
Sub-total long-term debt obligations	-	-	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-	-	-
5. Lease, SBITA, P3 liabilities:										
	<u>Balance</u>		<u>Prior Period</u>				<u>Balance</u>		<u>Current</u>	<u>Noncurrent</u>
	<u>June 30, 2022</u>	<u>Reclassifications</u>		<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>June 30, 2023</u>		<u>Portion</u>	<u>Portion</u>
Lease liabilities	-	-	-	-	-	-	-	-	-	-
SBITA liabilities	-	-	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total long-term liabilities							<u>\$ 404,720</u>	<u>\$ -</u>	<u>\$ 404,720</u>	

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5. FUTURE MINIMUM PAYMENTS SCHEDULE - LEASES, SBITA, P3:

Year Ending June 30,	Lease Liabilities			SBITA liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-
Total minimum lease payments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Less: amounts representing interest

Present value of future minimum lease payments

Total lease liabilities

Less: current portion

Lease liabilities, net of current portion

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6. FUTURE MINIMUM PAYMENTS SCHEDULE - LONG-TERM DEBT OBLIGATIONS:

Year Ending June 30,	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
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029 - 2033	-	-	-	-	-	-	-	-	-
2034 - 2038	-	-	-	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-	-
2044 - 2048	-	-	-	-	-	-	-	-	-
2049 - 2053	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total Minimum Payment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
							Less amounts representing interest		-
							Present value of future minimum payments		-
							Unamortized net premium (discount)		-
							Total long-term debt obligations		-
							Less current portion		-
							Long-term debt obligations, net of current portion	<u>\$ -</u>	-

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7. TRANSACTIONS WITH RELATED ENTITIES

	<u>Amount</u>
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 334,563
Payments to University for other than salaries of University personnel	\$ 1,123,470
Payments received from University for services, space, and programs	\$ 6,642,231
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	\$ (229,293)
Other amounts (payable to) University	\$ -
Accounts receivable from University	\$ 275,921
Other amounts receivable from University	\$ -

8. RESTATEMENTS/PRIOR PERIOD ADJUSTMENTS

Intentionally left blank - no restatements/prior period adjustments

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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	3,632,800	1,278,495	-	(517,149)	-	2,187,515	-	6,581,661
Institutional support	789,763	339,333	-	(110,818)	-	1,114,031	-	2,132,309
Operation and maintenance of plant	212,882	88,095	-	(110,818)	-	383,628	-	573,787
Student grants and scholarships	-	-	-	-	17,137	-	-	17,137
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	77,994	77,994
Total Operating Expenses	<u>\$ 4,635,445</u>	<u>\$ 1,705,923</u>	<u>\$ -</u>	<u>\$ (738,785)</u>	<u>\$ 17,137</u>	<u>\$ 3,685,174</u>	<u>\$ 77,994</u>	<u>\$ 9,382,888</u>

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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 - leases		-
Deferred outflows - P3		-
Deferred outflows - others		-
		-

Total deferred outflows of resources **\$** -

2. Deferred inflows of resources

Deferred inflows - P3 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 - leases		-
Deferred inflows - P3 service concession arrangements		-
Deferred inflows - other		-
		-

Total deferred inflows of resources **\$** -

11. OTHER NONOPERATING REVENUES (EXPENSE)

Other nonoperating revenues	\$	-
Other nonoperating (expenses)		-
		-

Total other nonoperating revenues (expenses) **\$** -