

SAN FRANCISCO STATE
UNIVERSITY FOUNDATION
(COMPONENT UNIT OF SAN FRANCISCO STATE
UNIVERSITY)

JUNE 30, 2015 AND 2014

INDEPENDENT AUDITORS' REPORT,

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

San Francisco State University Foundation
(Component Unit of San Francisco State University)

Independent Auditors' Report,
Financial Statements and Supplementary Information

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of **SAN FRANCISCO STATE UNIVERSITY FOUNDATION (Component Unit of San Francisco State University) (the Foundation)**, which comprise the statement of net position as of June 30, 2015 and 2014, and the related statements of revenues, expenses and changes in net position, cash flows and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net financial position of **SAN FRANCISCO STATE UNIVERSITY FOUNDATION**, as of June 30, 2015 and 2014, and the changes in net financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the accompanying management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 22 through 29 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hood & Strong LLP

San Francisco, California
September 15, 2015

San Francisco State University Foundation

(Component Unit of San Francisco State University)

Management Discussion and Analysis

(Unaudited)

This section of the San Francisco State University Foundation (the Foundation) annual financial report presents management's discussion and analysis of the financial performance of the Foundation for the fiscal year ended June 30, 2015.

The San Francisco State University Foundation (the Foundation) presents its financial statements for fiscal year 2015 with comparative data presented for fiscal years 2014 and 2013. The emphasis of discussions concerning these statements will be for the fiscal years ended June 30, 2015 and 2014 (2015 and 2014, respectively). There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The following discussion and analysis is intended to help readers of the Foundation's financial statements to better understand its financial position and operating activities. It should be read in conjunction with, and is qualified in its entirety by, the related financial statements and footnotes. The financial statements, footnotes and this discussion and analysis were prepared by the Foundation and are the responsibility of its management.

The Foundation

The Foundation is a non-profit auxiliary organization of San Francisco State University (the University) with a 501(c)(3) designation with the Internal Revenue Service. The Foundation's purpose is to provide private financial support to assist the University in meeting its educational mission.

The Business-Type Activity (BTA) reporting model has been adopted by the California State University (CSU) system for use by all of its member campuses. The CSU determined the BTA model best represents the combined activities of the CSU and its auxiliary corporations.

Two out of the three auxiliary not-for-profit corporations serving the University, of which the Foundation is one, have also adopted the BTA reporting model primarily for efficiencies gained in combining the three auxiliaries' annual financial statements with the University and ultimately the combined CSU financial statements.

The Foundation's June 30, 2015 and 2014 financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

Management Discussion and Analysis
(Unaudited)

Highlights of Financial Operations

The Foundation's operating revenue for 2015 increased from the previous fiscal year. Operating Revenue consists primarily of administrative fees earned from the management of the endowments. The fee is determined on the average quarterly balance of the endowment which can fluctuate with endowment payouts and interest/dividends and realized and unrestricted income earned. The Foundation starting in fiscal year 2015 also charged an additional fee to the endowments for investment fees incurred. The Foundation continues to report investment fees separate and not as a component of investment income. The operational expenses for the year were \$1,256,434 which are primarily composed of the administrative cost for accounting services performed by the Corporation's Auxiliary Business Services unit, auditing services and investment fees.

Total non-operating revenue decreased (-74%) in 2015 from 2014 due to lower investment returns. Investment returns were down (-76%) from the previous year as the performance of the market has pulled back through fiscal year 2015. Expendable endowments increased in 2015 by 5% from the previous year.

During 2015, additions to the permanent endowment decreased by (-35%) from 2014 due to a decrease in contributions. The transfers from the endowments are for scholarships, endowed chairs and other programs carried out by the University Corporation, San Francisco State (Corporation.) These transfers are in accordance with the Foundation's payout policy.

Financial Position

The statement of net position presents the financial position of the Foundation at the end of fiscal year 2015 and 2014. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal summary of the Foundation. From the data presented, the readers of the statement of net position are able to determine the assets available to continue the operations of the Foundation. The readers are also able to determine how much the Foundation owes its vendors as well as assessing other liabilities. Finally, the statement of net position provides the overview of the net position (assets minus liabilities) and their availability for expenditures.

Net position is divided into two major categories. The first category is Restricted Assets, which is divided into two categories, Nonexpendable and Expendable. The corpus of nonexpendable restricted resources are available for investment purposes and in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) where prudent when carrying out the purpose of the donor. Expendable restricted assets are available for expenditure by the Foundation, but must be spent for purposes as determined by the donors and /or external entities that have placed time, purpose or legal restrictions on the use of the assets. The final category is Unrestricted Assets that are available to the Foundation for any lawful purpose of the Foundation.

San Francisco State University Foundation
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Management Discussion and Analysis
(Unaudited)

Detailed statement of net position is included with the financial statements. A condensed version is shown below:

Condensed Statement of Net Position - 2015, 2014, and 2013

	2015	2014	2013
ASSETS			
Current assets	\$ 10,887,167	\$ 7,236,536	\$ 5,533,154
Noncurrent assets	56,878,766	60,207,004	51,367,041
Total assets	\$ 67,765,933	\$ 67,443,540	\$ 56,900,195
LIABILITIES			
Current liabilities	\$ 112,344	\$ 2,058,728	\$ 1,690,788
NET POSITION			
Restricted net assets:			
Nonexpendable - endowments	\$ 45,238,810	\$ 44,702,721	\$ 38,038,856
Expendable - scholarships, fellowships and capital projects	21,564,852	20,205,399	16,607,268
Unrestricted net assets	849,927	476,692	563,283
Total net position	\$ 67,653,589	\$ 65,384,812	\$ 55,209,407

Assets

As of June 30, 2015, total assets increased approximately \$320,000 when compared to the prior year. The increase was mainly a result of the increased investment value. Current assets are primarily comprised of short term investments, accounts receivables and cash. Accounts receivables were mainly flat during 2015 compared to 2014, the receivable from the Corporation, a related party, mainly related to donations received by the Corporation which are payable to the Foundation. Cash held, decreased in 2015 by approximately \$711,000 (-91%). Short term investments increased approximately \$4,360,000 due to investment performance and receipt of proceeds from redeeming alternative assets.

As of June 30, 2014, total assets increased approximately \$10,543,000 (19%) when compared to the prior year. The increase was mainly a result of the continuing bullish market yielding increased investment returns coupled with the Foundation receiving significant contributions of over \$1 million during the fiscal year. Current assets are primarily comprised of short term investments, accounts receivables and cash. Accounts receivables decreased by approximately \$17,000 during 2014 compared to 2013 primarily due to the reduction of funds payable to the Foundation by the Corporation, a related party, related to donations received by the Corporation which are payable to the Foundation. Cash held, decreased in 2014 by approximately \$67,000 (-8%). Short term investments increased approximately \$1,787,000 due to improved investment performance.

San Francisco State University Foundation
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Management Discussion and Analysis
(Unaudited)

The Foundation and the Corporation have an ongoing relationship where assets will be transferred between the two organizations throughout the year. The Corporation receives contributions where the allocation is split between the two organizations. In that case the Corporation would issue a check to the Foundation for its portion as well as contributions that are received by the Corporation that need to be rerouted to the Foundation to record as its contribution. The Corporation is ending its participation with the Foundation in alternative investments as of June 30, 2015. The Corporation's remaining balance in non-current alternative investments held under the Foundation's name aggregated \$82,000 and \$1,986,000, in fiscal year 2015 and 2014, respectively.

Liabilities

Accounts payables for June 30, 2015 decreased by approximately \$42,000 (-58%) as a result of processing more payables before year-end thereby reducing accruals at year-end. The Foundation's remaining current liability continues to consist primarily of related party transactions. As of June 30, 2015, the Foundation had a payable to the Corporation of \$82,000 representing the remaining balance in the alternative investments held on behalf of the Corporation. During fiscal year 2015, the Corporation's fair value in the Foundation's alternative investment portfolio decreased by approximately \$1,904,000.

Accounts payables for June 30, 2014 increased by approximately \$30,000 (70%) as a result of increased accruals at year-end and pending funds awaiting account setup. Based on the activity of the Foundation, the majority of the remaining current liabilities are related party transactions. As of June 30, 2014, the Foundation had a payable to the Corporation of \$1,985,486 representing the alternative investments held on behalf of the Corporation.

Net Position

The Foundation's net position for fiscal year 2015 was \$67,653,589 which is an increase of \$2,268,777 (3%) from the previous year. The overall increase is primarily attributed to continued positive investment income though down from the previous year and a slight increase in contributions over the previous year.

The Foundation's net position for fiscal year 2014 was \$65,384,812 which is an increase of \$10,175,405 (18%) from the previous year. The overall increase is primarily attributed to increase in investment income of approximately \$2,993,000 and an increase in contributions over the previous year.

Results of Operations

The Statement of Revenues, Expenses and Changes in Net Position presents the Foundation's operating results, as well as the non-operating revenues and expenses. Operating revenues consist primarily of revenue earned from administrative fees. Gifts and investment income, is classified as prescribed by GASB, as net non-operating revenues or expenses. This is an integral component in determining the increase or decrease in net assets.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

Management Discussion and Analysis
(Unaudited)

Detailed statement of Revenues, Expenses, and Changes in Position for the period ended June 30, 2015 and 2014 is included in the financial statements. A condensed version is shown below:

Condensed Statement of Revenues, Expenses and Changes in Net Position
For year ended June 30, 2015, 2014, and 2013

	2015	2014	2013
Operating Revenues (Expenses):			
Revenues	\$ 1,425,362	\$ 1,066,186	\$ 904,912
Expenses	1,256,434	1,122,778	(900,253)
Operating (loss) income	168,928	(56,592)	4,659
Non-operating Revenues (Expenses):			
Contributions	1,791,571	1,711,856	159,510
Endowment management fees	(1,420,331)	(1,062,655)	(903,575)
Investment return	2,119,105	8,882,769	5,889,486
Capital contributions			25,000
Additions to permanent endowments	1,546,961	2,389,380	3,193,672
Transfer to the University Corporation, SF State	(1,937,457)	(1,689,353)	(1,156,413)
Transfers to the University			(281,384)
Total other Non-operating Revenues (Expenses)	2,099,849	10,231,997	6,926,296
Change in Net Position	\$ 2,268,777	\$ 10,175,405	\$ 6,930,955
Return of endowment donation			\$ (725,000)

REVENUES

Operating Revenue

As of June 30, 2015, total operating revenue was \$1,425,362 which is an increase of approximately \$359,000 (34%) from the prior year.

As of June 30, 2014, total operating revenue was \$1,066,186 which is an increase of approximately \$161,000 (18%) from the prior year.

Administrative fees are the main component of operating revenue earned by the Foundation for management of the endowments. The administrative fee earned is based on the annual 1.25% fee and recoupment of investment fees charged to endowments. The fees are charged quarterly based on the endowments calculated quarterly average daily balance per the Foundation's investment policy which can fluctuate based on earnings and endowment distributions.

San Francisco State University Foundation
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Management Discussion and Analysis
(Unaudited)

OPERATING EXPENSES

Operating Expenses

Operating Expenses are tied to the use of both restricted and unrestricted funds. Use of unrestricted operating funds are primarily for accounting services provided by the Corporation through its unit, Auxiliary Business Service, audit, consulting, legal and insurance expenses. The use of restricted operating funds is from the Foundation's administrative fees charged to the endowments. The expenses related to accounting services were approximately \$272,000 for fiscal year 2015. For fiscal year 2014, expenses related to accounting services were approximately \$268,000.

NON-OPERATING REVENUES AND EXPENSES

Contributions

Contributions are recognized as revenue when they are verifiable, measurable, probable of collection, and the Foundation has met all time and eligibility requirements. Contributions were approximately \$1,792,000 for the 2015 fiscal year. Contributions were up slightly in fiscal year 2015 compared to fiscal year 2014 due to an increase in temporary endowments. There was approximately \$1,240,000 received from 3 planned gifts which the Foundation's Board approved the purpose of those funds in fiscal year 2014-2015.

Contributions were approximately \$1,712,000 for the 2014 fiscal year. Contributions were up in fiscal year 2014 compared to fiscal year 2013 due to an increase in temporary endowments. During the year the primary contribution for temporary endowments were for the La Chang endowment and Music Scholarship endowment

Investment Return

Investment income decreased during fiscal year 2015 as the market contracted from the previous year bull market. Investment returns for the fiscal year were approximately \$2,120,000 which was lower than the last year by approximately \$6,764,000 (-76%). During fiscal year 2015 the market was quite volatile over concerns globally. The market correction affected the Foundation's global equities which is one of its larger asset classes in the portfolio. This asset class had roughly a 17.7% downward turn from fiscal year 2013-2014 to fiscal year 2014-2015. The Foundation continues to manage its portfolio by reviewing and adjusting its investment policy for the types of investment vehicles to invest that will help to reduce its exposure to interest rates and keep its risks manageable.

Investment income increased during fiscal year 2014 as the market was bullish through the fiscal year 2014. Investment returns for the fiscal year was approximately \$8,880,000 which was higher than the last year by approximately \$2,990,000 (51%). In addition to a bullish market, the Foundation increased the value of its portfolio by making a number of changes in its portfolio to reduce its exposure to interest rates and keep its risks manageable.

The Foundation's portfolio continues to outperform policy benchmarks. The board continues to monitor investments through-out the year along with the investment managers and adjust targets as well as allocation mix where and when necessary.

San Francisco State University Foundation
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Management Discussion and Analysis
(Unaudited)

Other Additions and Transfers

Other additions highlight contributions received for capital projects generally carried out by the University and permanent endowments. Transfers highlight the funds transferred to related parties to fund campus programs, scholarships, endowed chairs and projects carried out by the University or Corporation which are not true operational expenses of the Foundation. Contributions for additions to the permanent endowments decreased during fiscal year 2015 by approximately \$842,000 (-35%). Major contributions were received for Goldman Endowed Chair, SFSU Hope Endowment, Philosophy Graduate Endowment, Edward N. Nagel Endowment, and Bev's Piano.

Contributions for additions to the permanent endowments decreased during fiscal year 2014 by approximately \$804,000 (-25%). Major contributions were received for Jewish Studies Department Endowment, John & Marcia Goldman Endowed Chair, Jerold Rosenberg Family Scholarship Endowment and B&V Clanton Program and Scholarship Endowment.

SIGNIFICANT ITEMS

During 2015, the Foundation's investment committee continued to actively monitor investments in order to optimize earnings to improve growth of the endowment portfolio and meet the current needs of programs and scholarships to students. The Foundation redeemed and closed three alternative funds bringing the total alternative fund managers to thirteen. At the beginning of fiscal year 2016, the Foundation has reinvested the redeemed funds to rebalance the portfolio according to the investment policy and reduce exposure to alternatives.

We believe all other significant items have already been disclosed and either they do not have a significant effect on future operations, or these effects have already been included in the current financial statements.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

Statement of Net Position

<i>June 30,</i>	2015	2014
Assets		
Current Assets:		
Cash and cash equivalents	\$ 66,705	\$ 777,210
Investments, restricted	10,755,915	6,395,724
Receivable from related parties	64,547	63,602
Total current assets	10,887,167	7,236,536
Noncurrent Assets:		
Investments, restricted	56,797,035	58,221,158
Investments held for University Corporation, SF State	81,731	1,985,846
Total noncurrent assets	56,878,766	60,207,004
Total assets	\$ 67,765,933	\$ 67,443,540
Liabilities		
Current Liabilities:		
Accounts payable	\$ 30,613	\$ 72,882
Payable to the University Corporation, SF State	81,731	1,985,846
Total current liabilities	112,344	2,058,728
Net Position:		
Restricted for:		
Nonexpendable - endowments	45,238,810	44,702,721
Expendable - scholarships, fellowships, capital projects	21,564,852	20,205,399
Unrestricted - reserved for operations	350,000	350,000
Unrestricted	499,927	126,692
Total net position	67,653,589	65,384,812
Total liabilities and net position	\$ 67,765,933	\$ 67,443,540

See accompanying notes to financial statements.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

Statement of Revenues, Expenses and Changes in Net Position

<i>Year ended June 30,</i>	2015	2014
Operating Revenues:		
Administrative fees	\$ 1,420,331	\$ 1,062,655
Other revenues	5,031	3,531
Total operating revenues	1,425,362	1,066,186
Operating Expenses:		
Management and general	1,256,434	1,122,778
Total operating expenses	1,256,434	1,122,778
Operating income (loss)	168,928	(56,592)
Nonoperating Revenues (Expenses):		
Contributions	1,791,571	1,711,856
Endowment management fees	(1,420,331)	(1,062,655)
Investment return	2,119,105	8,882,769
Net nonoperating revenues (expenses)	2,490,345	9,531,970
Income before other additions and transfers	2,659,273	9,475,378
Other Additions and (Transfers):		
Additions to permanent endowments	1,546,961	2,389,380
Transfers to the University Corporation, SF State	(1,937,457)	(1,689,353)
Total other additions and (transfers)	(390,496)	700,027
Change in Net Position	2,268,777	10,175,405
Net Position, beginning of the year	65,384,812	55,209,407
Net Assets, end of the year	\$ 67,653,589	\$ 65,384,812

See accompanying notes to financial statements.

San Francisco State University Foundation
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Statement of Cash Flows

<i>Year ended June 30,</i>	2015	2014
Cash Flows from Operating Activities:		
Receipts from endowment fees	\$ 1,420,331	\$ 1,062,655
Payments to suppliers	(1,298,704)	(1,092,493)
Other receipts	5,031	3,531
Net cash provided (used) by operating activities	126,658	(26,307)
Cash Flows from Noncapital Financing Activities:		
Donations received	1,917,256	3,055,611
Transfers to the University Corporation, SF State	(3,841,571)	(1,351,698)
Net cash (used) provided by noncapital financing activities	(1,924,315)	1,703,913
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments	24,570,039	27,014,649
Purchase of investments	(25,601,992)	(37,641,723)
Investment income	2,119,105	8,882,769
Net cash provided (used) by investing activities	1,087,152	(1,744,305)
Net Change in Cash and Cash Equivalents	(710,505)	(66,699)
Cash and Cash Equivalents, beginning of year	777,210	843,909
Cash and Cash Equivalents, end of year	\$ 66,705	\$ 777,210

See accompanying notes to financial statements.

San Francisco State University Foundation
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Statement of Cash Flows (continued)

<i>Year ended June 30,</i>	2015	2014
Reconciliation of Operating Income to Net Cash		
Flows Provided by Operating Activities:		
Operating income (loss)	\$ 168,928	\$ (56,592)
Adjustments to reconcile operating income to net cash flows provided by operating activities:		
Changes in assets and liabilities:		
Accounts payable	(42,270)	30,285
Total adjustments	(42,270)	30,285
Net cash provided (used) by operating activities	\$ 126,658	\$ (26,307)
Supplemental Disclosures of Cash Flow Activity:		
Non-cash activity:		
Donations of stock received	\$ 29,731	\$ 1,142,003

See accompanying notes to financial statements.

San Francisco State University Foundation
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Notes to Financial Statements

Note 1 - Organization:

The San Francisco State University Foundation (the Foundation), is a non-profit, tax-exempt California corporation. The Foundation serves as an auxiliary organization of San Francisco State University (the University). The Foundation was established in 2007 for the purpose of philanthropy. The Foundation encourages the solicitation and acceptance of private gifts, trusts, and bequests that will help the Foundation in the furtherance of its mission to foster private financial support for the University.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Presentation

The basic financial statements required by the Governmental Accounting Standards Board (GASB) Statements number 34, 35 and 63 include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position and a Statement of Cash Flows. As a component unit of a public institution, the Foundation has chosen to present its basic financial statements using the reporting model for special purpose governments engaged only in business-type activities. This model allows all financial information for the Foundation to be reported in a single column in each of the basic financial statements. In accordance with the business-type activities reporting model, the Foundation prepares its Statement of Cash Flows using the direct method.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Generally, grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In accordance with GASB Statement No. 62, the Corporation has incorporated certain accounting and financial reporting guidance included in the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure (collectively referred to as the "FASB and AICPA pronouncements"), which were issued on or before November 30, 1989, and which do not conflict or contradict GASB pronouncements.

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Notes to Financial Statements

The Foundation considers assets to be current when they can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within twelve months of the date of the Statement of Net Position. Liabilities that reasonably can be expected, as part of the Foundation's normal business operations, to be liquidated within twelve months of the date of the Statement of Net Position are considered to be current. All other assets and liabilities are considered to be non-current; with the exception of those amounts that are required to be reported as deferred outflows or inflows of resources. The Foundation follows GASB 63 and 65 which provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The standard defines deferred outflows or inflows of resources as transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. As of June 30, 2015 and 2014, the Foundation did not enter into transactions that meet the definition of deferred outflows or inflows of resources.

The Foundation's net position is classified into the following categories:

- *Restricted, non-expendable*: Net assets subject to externally imposed conditions that the Foundation retains in perpetuity. Net assets in this category consist of endowments.
- *Restricted, expendable*: Net assets subject to externally imposed conditions that can be fulfilled by the actions of the Foundation or by the passage of time. Net assets in this category also include endowments for capital projects which can be fulfilled by the actions of the University.
- *Unrestricted*: This represents all unrestricted net assets. Unrestricted net assets may be designated for use by management or the Board of Directors.

b. Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash, checking accounts, savings accounts and money market funds held outside of investment brokerage accounts with an original maturity date of three months or less.

Custodial credit risk - In the case of bank deposits, this is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation does not have a formal policy addressing custodial credit risk for its bank deposits. Though the Foundation is not a government agency, the financial institutions, in which the Foundation makes its deposits, have collateralized the deposits in accordance with section 53601 et. Seq. of the California Government Code. Wells Fargo is a financial institution whereby Federal Deposit Insurance Corporation (FDIC) insures deposits. Deposits of more than the \$250,000 insured amount will be collateralized by the bank by pledging identifiable collateral according to statute. The Foundation did not maintain deposits in excess of federally insured limits as of June 30, 2015. Periodically, as of and throughout the year ended June 30, 2014, the Foundation maintained balances in excess of the federally insured limits.

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Notes to Financial Statements

c. Related Party Receivable and Payables

Related Party receivables and payables include amounts due from the University Corporation, San Francisco State (the Corporation). Account receivables are presented net of an allowance for uncollectible accounts. There is no allowance for uncollectible accounts at June 30, 2015 and 2014.

d. Investments

Investments are stated at fair value. The Foundation pools available resources into savings, management and investment accounts. Interest and dividends earned are allocated to the respective funds, based on the ratio of a fund's invested resources to the total amount invested.

Investments in alternative investments are based upon fair values of the underlying assets as reported by the entities in their financial statements or as determined by the fund manager. In some cases the underlying assets are marketable securities with quoted market prices. In other situations, the underlying assets are not marketable and valuations are determined by the fund managers. Due to the inherent uncertainty of valuation of non-marketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed and the differences could be material. Additionally, these investments may have liquidity constraints, including lock up periods of a quarter or longer.

e. Restricted Investments

Investments made from donor restricted endowments are pooled with the Foundation's other investments. Any appreciation of such investments is tracked separately and recorded in restricted net assets. The Uniform Prudent Management of Institutional Funds Act (UPMIFA) passed in July 2006 and as adopted by California in 2008 authorizes an institution to spend the amount it deems prudent considering the donor's intent, the purposes of the fund, and relevant economic factors. According to the Foundation's policy, up to 4% of the earnings may be distributed each year. Earnings available for distribution are identified as interest, dividends and realized gains and losses and are calculated quarterly based on the average daily balance of the portfolio.

The Foundation invests these funds to produce current income to meet spending needs, and to preserve the real value of the endowment principal. The Payout Policy Objective is interlinked with the Investment Objectives for the Total Fund and has been formulated in the context of the overarching goal for prudent management of endowments: to optimize the balance between preserving the real (after inflation) long-term purchasing power of the endowment principal with the need to make annual distributions to campus beneficiaries.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

Notes to Financial Statements

f. Real Estate Held by Endowments

The Foundation follows GASB 52 Land and Other Real Estate Held as Investments by Endowments, and it has been determined to have no material impact to the Foundation.

g. Revenue and Expenses

The Foundation currently has two categories classified as operating revenue. Administrative Fees are costs associated with administering endowments and other revenue.

Non-Operating revenue and expenses category includes revenue from restricted and unrestricted contributions where the restrictions have been met, transfers, and expenses related to endowment expendable administrative fees charged per the investment policy. This category also includes investment returns (such as, interest, dividends, and net realized and unrealized gains and losses).

Other Addition and Transfers category includes contributions related to capital projects and permanent endowments and transfers related to funds given to the Corporation and the University as a gift.

h. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i. Income Taxes

The Foundation is a not-for-profit Foundation and is exempt from federal and state income taxes under provisions of section 501(c) (3) of the Internal Revenue Code and the California Tax Code. Continuance of such exemption is subject to compliance with laws and regulations of the taxing authorities. Certain activities considered unrelated to the tax exempt purposes of the Foundation may generate income that is taxable. No provision has been recorded for income taxes, as the net income, if any, from unrelated business in the opinion of management is not material to the basic financial statements taken as a whole.

j. Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to conform to current year presentation. These reclassifications had no effect on net position or change in net position.

San Francisco State University Foundation
(Component Unit of San Francisco State University)

Notes to Financial Statements

k. Recent Accounting Pronouncements Adopted or Under Consideration

The GASB issued statement No. 72, *Fair Value Measurement and Application (February 2015)*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The statement is applicable for June 30, 2016.

Note 3 - Investments:

Investments consist of the following as of June 30, 2015:

	<u>Fair value</u>	<u><1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>10+</u>	<u>Other</u>
Local agency investment fund	\$ 2,094,200	\$ 2,094,200				
Broker money market funds	5,419,518	5,419,518				
Treasury Securities	1,931,294	133,685	\$ 1,232,376	\$ 565,233		
Asset-backed Securities	1,373,980	3,086	542,916	163,064	\$ 664,914	
Municipal Securities	82,687		82,687			
Corporate debt securities	1,647,025	192,661	791,460	662,904		
Mutual funds	6,463,415					\$ 6,463,415
Equity securities	29,494,189					29,494,189
Alternative investments	19,128,373	2,912,765				16,215,608
	<u>\$67,634,681</u>	<u>\$10,755,915</u>	<u>\$ 2,649,439</u>	<u>\$ 1,391,201</u>	<u>\$ 664,914</u>	<u>\$ 52,173,212</u>

Investments consist of the following as of June 30, 2014:

	<u>Fair value</u>	<u><1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>10+</u>	<u>Other</u>
Local agency investment fund	\$ 1,541,745	\$ 1,541,745				
Broker money market funds	4,711,162	4,711,162				
Treasury Securities	1,202,092		\$ 1,012,790	\$ 189,302		
Asset-backed Securities	1,542,300		683,044	205,693	\$ 653,563	
Municipal Securities	84,374			84,374		
Corporate debt securities	2,134,465	142,817	1,198,918	707,887		\$ 84,843
Mutual funds	6,322,626					6,322,626
Equity securities	28,988,429					28,988,429
Alternative investments	20,075,535					20,075,535
	<u>\$66,602,728</u>	<u>\$ 6,395,724</u>	<u>\$ 2,894,752</u>	<u>\$ 1,187,256</u>	<u>\$ 653,563</u>	<u>\$ 55,471,433</u>

San Francisco State University Foundation
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Notes to Financial Statements

Investment return for the years ended June 30, 2015 and 2014 consist of the following:

	2015	2014
Interest and dividends	\$ 1,309,986	\$ 1,006,698
Realized and unrealized gain	809,119	7,876,071
	\$ 2,119,105	\$ 8,882,769

Interest rate risk - The Foundation mitigates its interest rate risk through the use of professional money managers that use their judgment on the selection of debt securities. The Foundation does not currently have a formal policy on future maturity limitations.

Credit risk - The Foundation's investment policy provides that all investments must be rated at least investment grade by one nationally recognized ratings agency. In the event that an investment falls below investment grade, the manager must notify the Foundation of the downgrade and provide a recommended course of action. Securities rated BBB are limited to 10% of the managers' bond portfolio.

Concentration of credit risk - Securities held in any one issuer are limited to 5% of the Foundation's total fixed income holdings. Individual equities are also mandated to be no more than 5% of the stock portfolio. As a result, no one issuer exceeds 5% of the Foundation's total investments.

Custodial credit risk - Custodial credit risk represents the risk that, in the event of the failure of counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. UBS Financial Services account is insured with a combination of SIPC and other commercial insurance. SIPC coverage protects customers of a U.S. registered broker-dealer in the event the broker-dealer becomes financially insolvent and cannot return the full value of a customer's securities and cash in the broker-dealer's possession or control. SIPC covers each customer's account up to \$500,000, of which up to \$250,000 may be cash. Excess coverage follows the terms of SIPC coverage but covers each account up to its full net equity value, including all cash balances. UBS Financial Services and certain affiliates have purchased supplemental insurance from London Insurers to augment the SIPC protection. The supplemental policy is subject to policy conditions and limitations and has an aggregate policy limit of \$500 million. Within this aggregate policy limit, each separate client has up to \$1.9 million in protection for cash held in all of the client's accounts. The Foundation does not have a formal policy covering custodial credit risk for its investments.

San Francisco State University Foundation
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Notes to Financial Statements

Local Agency Investment Fund (LAIF)

Under Federal Law, the State of California cannot declare bankruptcy, thereby allowing the Government Code Section 16429.3 to stand. This section states that "moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit Foundations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency.

During a legislative session, California Government Code Section 16429.4 was added to the LAIF's enabling legislation. The section states that "the right of a city, county, city and county, special district, nonprofit Foundation, or qualified quasi-governmental agency to withdraw its deposited moneys from the LAIF, upon demand, may not be altered, impaired, or denied in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year."

Note 4 - Endowments:

Endowments held and administered by the Foundation at June 30, 2015 are as follows:

	Restricted Net Assets		Total
	Nonexpendable	Expendable	
Endowments	\$ 45,238,810	\$ 21,564,852	\$ 66,803,662

Endowments held and administered by the Foundation at June 30, 2014 are as follows:

	Restricted Net Assets		Total
	Nonexpendable	Expendable	
Endowments	\$ 44,702,721	\$ 20,205,399	\$ 64,908,120

The Foundation's endowment policy during fiscal years 2015 and 2014 allowed a 4% annual payout based on quarterly average daily balance of the fund. The 4% annual payout was not changed during the year and disbursements were allowed if the particular endowment was not underwater. The Foundation's endowment funds were approximately \$105,136 underwater at June 30, 2015 and approximately \$81,000 at June 30, 2014.

Note 5 - Related Parties:

During the year ended June 30, 2015 and 2014, the Foundation paid \$147,400 and \$488,104, respectively to the University and its affiliates for accounting services, reimbursements and funding for scholarships and capital projects which are fulfilled by the actions of the campus.

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Notes to Financial Statements

During the year ended June 30, 2015 and 2014, the Foundation paid \$2,264,374 and \$1,602,954, respectively, for scholarships and other endowment spendable accounts to the Corporation. The Corporation paid \$619,766 and \$1,296,544 to the Foundation in 2015 and 2014, respectively.

At June 30, 2015 and 2014, the Foundation recorded receivables from the Corporation totaling \$8,624 and \$8,609, respectively, and payables to the University totaling \$4,679 and \$679.

The Corporation's total investment in alternative investments held by the San Francisco State Foundation is approximately \$82,000 and \$1,986,000 at June 30, 2015 and 2014, respectively. The allocated fair value net of investment fees for these investments and payable to the Corporation is \$81,731 and \$1,985,846 at June 30, 2015 and 2014, respectively.

Note 6 - Risk Financing Activities:

The Foundation is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Foundation carries commercial insurance. The Foundation has not had any significant reduction in insurance coverage, and there have been no claims in excess of coverage, in any of the past three years.

Note 7 - Litigation:

From time to time, the Foundation is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its business activities. In the opinion of management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the Foundation in connection with its legal proceedings is not expected to have a material adverse effect on the Foundation's financial position and activities.

Note 8 - Administrative Fee:

The Foundation charges an administrative fee of 1.25% percent annually plus recoupment of investment fees paid to manage the endowment funds. This is calculated on the quarterly average daily balance of all endowments managed by the Foundation per the endowment policy. Administrative fees of 1.25% in the amount of \$1,420,331 and \$1,062,655 were earned by the Foundation during the year ended June 30, 2015 and 2014, respectively. The Foundation earned \$670,802 to offset investment management fees.

San Francisco State University Foundation
Schedule of Net Position
June 30, 2015
(for inclusion in the California State University)
(See Independent Auditors' Report on Supplementary Information)

Assets:	
Current assets:	
Cash and cash equivalents	\$ 66,705
Short-term investments	10,755,915
Accounts receivable, net	64,547
Leases receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other assets	—
Total current assets	10,887,167
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Leases receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	45,238,810
Other long-term investments	11,639,956
Capital assets, net	—
Other assets	—
Total noncurrent assets	56,878,766
Total assets	67,765,933
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension obligation	—
Others	—
Total deferred outflows of resources	—
Liabilities:	
Current liabilities:	
Accounts payable	30,613
Accrued salaries and benefits payable	—
Accrued compensated absences— current portion	—
Unearned revenue	—
Capitalized lease obligations – current portion	—
Long-term debt obligations – current portion	—
Claims Liability for losses and LAE - current portion	—
Depository accounts	—
Other liabilities	81,731
Total current liabilities	112,344
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	—
Unearned revenue	—
Grants refundable	—
Capitalized lease obligations, net of current portion	—
Long-term debt obligations, net of current portion	—
Claims Liability for losses and LAE, net of current portion	—
Depository accounts	—
Other postemployment benefits obligation	—
Pension obligation	—
Other liabilities	—
Total noncurrent liabilities	—
Total liabilities	112,344
Deferred inflows of resources:	
Unamortized gain on debt refunding	—
Non-exchange transactions	—
Service concession arrangements	—
Net pension obligation	—
Others	—
Total deferred inflows of resources	—
Net Position:	
Net investment in capital assets	—
Restricted for:	
Nonexpendable – endowments	45,238,810
Expendable:	
Scholarships and fellowships	14,476,737
Research	—
Loans	—
Capital projects	7,088,115
Debt service	—
Other	—
Unrestricted	849,927
Total net position	\$ 67,653,589

San Francisco State University Foundation
Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2015
(for inclusion in the California State University)
(See Independent Auditors' Report on Supplementary Information)

Revenues:

Operating revenues:		
Student tuition and fees (net of scholarship allowances of \$_____)	\$	—
Grants and contracts, noncapital:		
Federal		—
State		—
Local		—
Nongovernmental		—
Sales and services of educational activities		—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$_____)		—
Other operating revenues		1,425,362
Total operating revenues		<u>1,425,362</u>

Expenses:

Operating expenses:		
Instruction		—
Research		—
Public service		—
Academic support		—
Student services		—
Institutional support		—
Operation and maintenance of plant		—
Student grants and scholarships		16,050
Auxiliary enterprise expenses		1,240,384
Depreciation and amortization		—
Total operating expenses		<u>1,256,434</u>
Operating income (loss)		<u>168,928</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		1,791,571
Investment income (loss), net		2,119,105
Endowment income (loss), net		—
Interest Expenses		—
Other nonoperating revenues (expenses)		(1,420,331)
Net nonoperating revenues (expenses)		<u>2,490,345</u>
Income (loss) before other additions		2,659,273

State appropriations, capital		—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		(390,496)
Increase (decrease) in net position		<u>2,268,777</u>

Net position:

Net position at beginning of year, as previously reported		65,384,812
Restatements		—
Net position at beginning of year, as restated		<u>65,384,812</u>
Net position at end of year	\$	<u><u>67,653,589</u></u>

San Francisco State University Foundation
 Other Information
 June 30, 2015
 (for inclusion in the California State University)
 (See Independent Auditors' Report on Supplementary Information)

1 Restricted cash and cash equivalents at June 30, 2015:
 Portion of restricted cash and cash equivalents related to endowments
 All other restricted cash and cash equivalents
 Total restricted cash and cash equivalents

\$ -
 -
 \$ -

2.1 Composition of investments at June 30, 2015:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	2,094,200	2,094,200	-	-	-	2,094,200
Corporate bonds	-	-	-	-	-	-	-
Certificates of deposit	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	6,463,415	6,463,415	6,463,415
Money Market funds	-	5,419,518	5,419,518	-	-	-	5,419,518
Repurchase agreements	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-
Asset backed securities	-	3,086	3,086	-	1,370,894	1,370,894	1,373,980
Mortgage backed securities	-	-	-	-	-	-	-
Municipal bonds	-	-	-	-	82,687	82,687	82,687
U.S. agency securities	-	-	-	-	-	-	-
U.S. treasury securities	-	133,685	133,685	-	1,797,609	1,797,609	1,931,294
Equity securities	-	-	-	-	29,494,189	29,494,189	29,494,189
Exchange traded funds (ETFs)	-	-	-	-	-	-	-
Alternative investments:							
Private equity (including limited partnerships)	-	2,912,764	2,912,764	-	-	-	2,912,764
Hedge funds	-	-	-	81,731	7,562,426	7,644,157	7,644,157
Managed futures	-	-	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-	-	-
Commodities	-	-	-	-	1,185,319	1,185,319	1,185,319
Derivatives	-	-	-	-	7,386,132	7,386,132	7,386,132
Other alternative investment types	-	-	-	-	-	-	-
Other external investment pools (excluding SWIFT)							
Corporate debt securities	-	192,662	192,662	-	1,454,364	1,454,364	1,647,026
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Other major investments:							
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-
Total investments	-	10,755,915	10,755,915	81,731	56,797,035	56,878,766	67,634,681
Less endowment investments (enter as negative number)	-	-	-	-	(45,238,810)	(45,238,810)	(45,238,810)
Total investments	-	10,755,915	10,755,915	81,731	11,558,225	11,639,956	22,395,871

2.2 Investments held by the University under contractual agreements at June 30, 2015:
 Portion of investments in note 2.1 held by the University under contractual agreements at June 30, 2015:

-

2.3 Restricted current investments at June 30, 2015 related to:

Amount
 \$ 10,755,915
 -
 -
 -
 -
 -
 -
 -
 -
 \$ 10,755,915

Restricted for expendable Scholarships, Fellowships
 Add description
 Add description
 Add description
 Add description
 Add description
 Add description

Total restricted current investments at June 30, 2015

2.4 Restricted noncurrent investments at June 30, 2015 related to:

Amount
 \$ 45,238,810
 11,558,225
 -
 -
 -
 -
 -
 -
 \$ 56,797,035

Endowment investment
 Restricted for Scholarships, Fellowships, Capital Projects
 Add description
 Add description
 Add description
 Add description
 Add description
 Add description

Total restricted noncurrent investments at June 30, 2015

San Francisco State University Foundation
Other Information
June 30, 2015
(for inclusion in the California State University)
(See Independent Auditors' Report on Supplementary Information)

3.1 Composition of capital assets at June 30, 2015:

	Balance June 30, 2014	Prior period Adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2015
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	\$ -	-	-	-	-	-	-	-
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	-	-	-	-	-	-	-	-
Intangible assets:								
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-
Internally generated intangible assets in progress	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total nondepreciable/nonamortizable capital assets	-	-	-	-	-	-	-	-
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-	-	-	-
Total capital assets	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Personal property:								
Equipment	-	-	-	-	-	-	-	-
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets:								
Software and websites	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-
Patents, copyright and trademarks	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Add description	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-
Total capital assets, net	\$ -	-	-	-	-	-	-	-

San Francisco State University Foundation
Other Information
June 30, 2015
(for inclusion in the California State University)
(See Independent Auditors' Report on Supplementary Information)

3.2 Detail of depreciation and amortization expense for the year ended June 30, 2015:

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

4 Long-term liabilities activity schedule:

	Balance June 30, 2014	Prior period adjustments	Reclassifications	Balance June 30, 2014 (restated)	Additions	Reductions	Balance June 30, 2015	Current portion	Long-term portion
Accrued compensated absences	\$ —	—	—	—	—	—	—	—	—
Capitalized lease obligations:									
Gross balance	—	—	—	—	—	—	—	—	—
Unamortized premium / (discount) on capitalized lease obligations	—	—	—	—	—	—	—	—	—
Total capitalized lease obligations	—	—	—	—	—	—	—	—	—
Long-term debt obligations:									
Revenue Bonds	—	—	—	—	—	—	—	—	—
Other bonds (non-Revenue Bonds)	—	—	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—	—	—
Note Payable related to SRB	—	—	—	—	—	—	—	—	—
Other:									
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Add description	—	—	—	—	—	—	—	—	—
Total long-term debt obligations	—	—	—	—	—	—	—	—	—
Unamortized bond premium / (discount)	—	—	—	—	—	—	—	—	—
Total long-term debt obligations, net	—	—	—	—	—	—	—	—	—
Total long-term liabilities	\$ —	—	—	—	—	—	—	—	—

5 Future minimum lease payments - capital lease obligations:

	Principal	Interest	Principal and Interest
Year ending June 30:			
2016	-	-	—
2017	-	-	—
2018	-	-	—
2019	-	-	—
2020	-	-	—
2021 - 2025	-	-	—
2026 - 2030	-	-	—
2031 - 2035	-	-	—
2036 - 2040	-	-	—
2041 - 2045	-	-	—
2046 - 2050	-	-	—
2051 - 2055	-	-	—
2056 - 2060	-	-	—
2061 - 2065	-	-	—
Total minimum lease payments	—	—	—
Less amounts representing interest		—	—
Present value of future minimum lease payments		—	—
Less: current portion		—	—
Capitalized lease obligation, net of current portion		\$	<u>—</u>

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6 Long-term debt obligation schedule

	Revenue Bonds			All other long-term debt obligations		Total			
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
	Year ending June 30:								
2016	\$ -	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021 - 2025	-	-	-	-	-	-	-	-	-
2026 - 2030	-	-	-	-	-	-	-	-	-
2031 - 2035	-	-	-	-	-	-	-	-	-
2036 - 2040	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-
2056 - 2060	-	-	-	-	-	-	-	-	-
2061 - 2065	-	-	-	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-	-	-

7 Calculation of net position

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
7.1 Calculation of net position - Net investment in capital assets			
Capital assets, net of accumulated depreciation	\$ -	-	-
Capitalized lease obligations - current portion	-	-	-
Capitalized lease obligations, net of current portion	-	-	-
Long-term debt obligations - current portion	-	-	-
Long-term debt obligations, net of current portion	-	-	-
Portion of outstanding debt that is unspent at year-end	-	-	-
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net position - net investment in capital asset	\$ -	-	-
7.2 Calculation of net position - Restricted for nonexpendable - endowments			
Portion of restricted cash and cash equivalents related to endowments	\$ -	-	-
Endowment investments	45,238,810	-	45,238,810
Other adjustments: (please list)			
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Add description	-	-	-
Net position - Restricted for nonexpendable - endowments per SNP	\$ 45,238,810	-	45,238,810

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8 Transactions with Related Entities

	Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$ 34,433
Payments to University for other than salaries of University personnel	112,967
Payments received from University for services, space, and programs	6,262
Gifts-in-kind to the University from discretely presented component units	—
Gifts (cash or assets) to the University from discretely presented component units	—
Accounts (payable to) University (enter as negative number)	(4,750)
Other amounts (payable to) University (enter as negative number)	—
Accounts receivable from University	—
Other amounts receivable from University	—

9 Other Postemployment Benefits Obligation (OPEB)

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

10 Pollution remediation liabilities under GASB Statement No. 49:

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

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

	Net Position Class	Amount Dr. (Cr.)
Net position as of June 30, 2014, as previously reported		\$ 65,384,812
Prior period adjustments:		
1 (list description of each adjustment)		—
2 (list description of each adjustment)		—
3 (list description of each adjustment)		—
4 (list description of each adjustment)		—
5 (list description of each adjustment)		—
6 (list description of each adjustment)		—
7 (list description of each adjustment)		—
8 (list description of each adjustment)		—
9 (list description of each adjustment)		—
10 (list description of each adjustment)		—
Net position as of June 30, 2013, as restated		<u>\$ 65,384,812</u>

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

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