The University Corporation, San Francisco State
(Component Unit of San Francisco State University)

Financial Statements

June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The University Corporation, San Francisco State

Report on the Financial Statements

We have audited the accompanying financial statements of The University Corporation, San Francisco State (Component Unit of San Francisco State University) (the Corporation), which comprise the statements of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The University Corporation, San Francisco State as of June 30, 2021, and the changes in its net position and its cash flows for the year 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 Management's Discussion and Analysis (MD&A) on pages 3 through 13 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. This required supplementary information is the responsibility of management. 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 responses 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's financial statements. The supplementary information on pages 38-50 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 17, 2021 on our consideration of The University Corporation, San Francisco State'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 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 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 University Corporation, San Francisco State's internal control over financial reporting and compliance.

Prior Period Financial Statements Audited by a Predecessor Auditor

The financial statements of The University Corporation, San Francisco State as of and for the year ended June 30, 2020 were audited by other auditors whose report dated September 18, 2020 expressed an unmodified opinion on those financial statements.

Windes, Inc.

Long Beach, California
September 17, 2021

This section of The University Corporation, San Francisco State (the Corporation) annual financial report presents management's discussion and analysis of the financial performance of the Corporation for the fiscal year ended June 30, 2021.

The Corporation presents its financial statements for fiscal year 2021 with comparative data presented for fiscal year 2020. The emphasis of this discussion concerning these statements will be for the fiscal years ended June 30, 2021 and 2020. 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 Corporation's financial statements to have a better understanding of its financial position and operating activities. It should be read in conjunction with the related financial statements and footnotes. The financial statements, footnotes and this discussion and analysis were prepared by the Corporation and are the responsibility of its management.

The Corporation

The Corporation is a nonprofit auxiliary organization of San Francisco State University (the University) with a 501(c)(3) designation with the Internal Revenue Service. The Corporation's purpose is to support, promote and assist the University in meeting its educational mission.

The business-type activities (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.

The Corporation's June 30, 2021 and 2020 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Highlights of Financial Operations

- Net Position

  The Corporation's net position increased during fiscal year 2020 - 2021. The Corporation's overall net position stands at $47,026,277 at June 30, 2021, up from the previous fiscal year of $44,498,918.

- Operating Revenues and Expenses

  In fiscal year 2021, the Corporation was approved for loan forgiveness for the Payroll Protection Program (PPP) loan, a federal program administered by the U.S. Small Business Administration, launched by the U.S. government in response to the economic turmoil caused by COVID-19 received in fiscal year 2020.

  In fiscal year 2021, the Corporation continued managing the Student Organization banking program, for which it had assumed responsibility in fiscal year 2018. Student Organizations generated $69,540 in program revenue and contributions. Student Organizations also generated $87,952 in expenses.

During fiscal year 2021, the Corporation continued to manage the University's retail and commercial services locations. All of the locations were fully occupied with proprietors. The businesses, which comprise the Corporation's retail and commercial services partners remained closed during the fiscal year as the campus operations remained almost exclusively remote in response to the global pandemic, with the exception of a few weeks of attempted operation and one vendor agreeing to open as a service to the University's skeleton operations team. The Corporation continued to waive rental income for fiscal year 2021.

Expenses for the vendors in the Cesar Chavez Student Center were $821,766. Management's arrangement with the University and Associated Students of San Francisco State University (AS) required the Corporation to donate any residual net rental income to AS. For fiscal year 2021, due the campus continued remote operations resulted in retail services partners remaining closed through the end of the fiscal year. Thus, there was no residual net rental income contributed to AS. This was a decrease over the previous year directly due to the campus closure described above, which reduced rental income. The Corporation did not receive an administrative fee for managing the retail and commercial services in fiscal year 2021 due to the campus closure described herein.

- <u>Non-Operating Revenues and Expenses</u>

  The Corporation's total non-operating revenue increased during fiscal year 2021 due to an increase in investment returns in comparison to the last fiscal year.

Financial Position

The statement of net position presents the financial position of the Corporation at the end of fiscal years 2021 and 2020. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal summary of the Corporation. 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 Corporation. The readers are also able to determine how much the Corporation owes its vendors, and to assess other liabilities. Finally, the statement of net position provides an overview of the net position (assets, deferred outflows of resources minus liabilities, deferred inflows of resources) and their availability for expenditure.

Net position is divided into three major categories. The first category includes those assets invested in capital assets, which presents the Corporation's equity in property and equipment. The next asset category includes restricted assets, which are divided into two categories: nonexpendable and expendable.

The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted assets are available for expenditure by the Corporation but must be spent for purposes as determined by 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 Corporation for any lawful purpose of the Corporation.

The detailed statements of net assets are included with the financial statements. A condensed version is shown below:

Condensed Statements of Net Position - June 30, 2021, 2020, and 2019:

	2021	2020	2019
Assets:			
Current assets	$ 26,780,234	$ 23,424,162	$ 24,069,871
Noncurrent assets	23,335,490	23,884,928	13,219,103
Total assets	50,115,724	47,309,090	37,288,974
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	$ 50,115,724	$ 47,309,090	$ 37,288,974
Liabilities:			
Current liabilities	$ 2,019,136	$ 1,636,400	$ 3,129,977
Noncurrent liabilities	845,347	982,184	349,712
Total liabilities	2,864,483	2,618,584	3,479,689
Deferred inflows of resources	224,964	191,588	196,398
Net position:			
Investment in capital assets	2,321,093	2,336,329	1,356,245
Restricted:			
Nonexpendable - endowments	712,177	628,596	625,499
Expendable	32,861,099	33,442,197	20,947,060
Unrestricted	11,131,908	8,091,796	10,684,083
Total net position	47,026,277	44,498,918	33,612,887
Total liabilities, deferred inflows of resources, and net position	$ 50,115,724	$ 47,309,090	$ 37,288,974

Assets

Current assets in fiscal year 2021 increased by $3,356,072 (14%). The increase in investment assets attributed to market value and maturity of investments allocated between current and noncurrent.

Accounts receivables increased by $268,575 (31%) in 2021. The receivables increase in fiscal year 2021 is primarily due to an increase in receivables from its related parties and grants at year-end, for which payments will be received early in fiscal year 2022. The Corporation continues to work on improving its collection process of overdue invoices greater than 90 days by following up on outstanding invoices more frequently and working with vendors that have fallen behind. During 2021, the Corporation and the University continued the process of invoicing more activity between the two entities to better track revenue owed. The current pledge receivables decreased current assets by $348,124 (40%) for pledges due within one year. The decrease was primarily attributable to pledges being paid off or down, as well as fewer new pledges one year or less.

Current assets in fiscal year 2020 decreased by $645,709 (3%). The decrease is attributable to the maturity of investments allocated between current and noncurrent.

Accounts receivables increased by $84,854 (11%) in 2020. The increase in receivables for fiscal year 2020 is primarily related to an increase in receivables from related parties at year-end, the payment for which was received early in fiscal year 2021. The Corporation continues to work on improving its collection process of overdue invoices greater than 90 days by following up on outstanding invoices more frequently and working with vendors that have fallen behind. During 2020, the Corporation and the University continued the process of invoicing more activity between the two entities to better track revenue owed. The Corporation recorded a receivable of $875,625. Current pledge receivables increased current assets by $451,301 for pledges due within one year. The increase was primarily attributable to the new pledge received in fiscal year 2020.

Noncurrent Assets decreased $549,438 (2%) in fiscal year 2021. The decrease was primarily related to the reduction of the noncurrent pledge receivables by $2,582,970 (26%). The reduction is related to the pay down of the multi-year grant pledge Genentech Foundation. Investment noncurrent assets overall value increased in 2021.

In fiscal year 2020, noncurrent assets increased by $10,665,825 (81%). The increase in noncurrent assets is attributed to the increase in pledges receivable. During the fiscal year, the Corporation received a multi-year grant pledge from the Genentech Foundation for $10.2 million. The Corporation’s investment increased 6% due to the distribution of fixed income assets. The Corporation also recorded a sublease rent receivable, representing the straight-line method to record rent revenue related from the sublease the Corporation has with American Campus Communities for the Holloway Revitalization Project. The sublease rent receivable increased 79%, due to annual adjustment to the rent receivable related to an amortized rent schedule.

Liabilities

In fiscal year 2021, current liabilities increased $382,736 (23%) over 2020. The increase is related primarily to year-end accruals and payables to the campus for scholarships. Though current liabilities overall increased during fiscal year 2021, there was a reduction in current liabilities attributed to the Corporation by recognizing the loan forgiveness for the PPP loan received in fiscal year 2020.

In fiscal year 2020, current liabilities decreased $1,493,577 (48%) over 2019. The decrease is mainly attributable to the decrease in payables to the University for scholarships, salary and benefits as well as for various programs. The decrease was part of a coordinated effort between the Corporation and the University to process all payments related to fiscal year 2020 before the fiscal year closing, which led to increased payments to SFSU, thereby reducing accrued payables.

Noncurrent liabilities in fiscal year 2021 decreased by $136,687 (14%) over 2020, which is attributable to the PPP loan forgiveness during the current fiscal year. However, the rent payable did increase related to the rent expense payable to the University using the straight-line method over the term of the lease.

In fiscal year 2020, the Corporation’s noncurrent liabilities increased by $632,472 (181%) because of a rent payable using the straight-line method for the rent expense payable to the University for the Holloway Revitalization Project. In addition, the Corporation also received the PPP loan in fiscal year 2020 used to continue employment for its employees through the end of the fiscal year, which contributed to the increase in noncurrent liabilities.

Deferred inflows of resources equaled $224,964 and $191,588 in 2021 and 2020, respectively. In fiscal year 2020, there were no new charitable annuities recorded.

Net Position

As of June 30, 2021, the total net position was $47,026,277, which is an increase of $2,527,359 (6%) over fiscal year 2020. During 2021, the Corporation's investments had positive returns for fiscal year 2021 of approximately 21%.

As of June 30, 2020, the total net position was $44,498,918, which is an increase of $10,886,031(32%) over the prior fiscal year. During 2020, the Corporation saw an increase in grants and contracts of $12,069,199 over fiscal year 2019. The Corporation's investments income yielded positive returns though there was a decrease from fiscal year 2019 of 23%.

Further discussion of the Corporation's revenue and expenses is set out below under results of operations, which highlights the changes that contributed to the overall fluctuation in operating results.

Results of Operations

The statement of revenues, expenses, and changes in net position presents the Corporation's operating results, as well as the non-operating revenues and expenses. Operating revenues primarily include grants, contracts, retail operations and program revenue. Gifts and investment income are classified as prescribed by GASB. Net non-operating revenues or expenses are an integral component in determining the increase or decrease in net position.

The detailed statement of revenues, expenses, and changes in net position for the years ended June 30, 2021 and 2020 is included in the financial statements.

Condensed Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2021, 2020, and 2019:

	2021	2020	2019
Operating revenues (expenses):			
Revenues	$ 11,289,167	$ 25,805,243	$ 14,167,792
Expenses	(18,151,613)	(20,033,402)	(17,927,959)
Operating loss (loss) income	(6,862,446)	5,771,841	(3,760,167)
Non-operating revenues (expenses):			
Contributions	3,125,494	3,980,214	4,161,970
PPP Loan forgiveness	539,051		
Investment return	5,738,550	1,146,603	1,481,592
Endowment fees	(13,290)	(12,627)	(21,939)
Total non-operating revenues	9,389,805	5,114,190	5,621,623
Change in net position	$ 2,527,359	$ 10,886,031	$ 1,861,456

OPERATING REVENUES

Retail, Program, Grants, and Contracts Revenue

For fiscal year 2021, revenue decreased over fiscal year 2020 by $14,516,076 (56%). All of the Corporation's major revenue sources declined in 2021. Grants and contracts saw a significant decline of $9,430,164 in revenue associated with the $10,000,000 multi-year grant recorded in fiscal 2020. There were also decreases in retail revenue because of the continued campus remote modalities during the fiscal year drastically reducing the number of people on campus using services. Rental income revenue was less in fiscal year 2021 directly related to the continued campus remote operations, in which the retail locations managed by the Corporation remained closed and the Corporation continued to waive rent throughout the fiscal year.

For fiscal year 2020, revenue increased over fiscal year 2019 by $11,637,451 (82%). Grants and contracts revenue increased significantly in fiscal year 2020 by approximately 1630% due primarily to receiving a significant multi-year grant from Genentech Foundation. One of the Corporation's larger programs, the Guardian Scholars program, received approximately $888,500 in grants during fiscal year 2020.

Program revenues are the function of the many projects administered by the Corporation as well as programs run by the Corporation, which must be self-supporting. Program revenue consists mainly of revenue received to support campus programs and student scholarships.

Program revenue decreased by $698,047 (24%) in 2021 over 2020. The decrease in program revenue is linked to the campus continuing remote activity, and the cessation of face-to-face classes, program and events as result of COVID-19. While, some programs were able to successfully pivot and offer programing online there were a few Corporation programs that continued to be impacted by the cancellation of face-to-face interactions due to COVID-19. These include:

- Pacific Leadership Institute (PLI) (a ropes course located in Fort Miley at the Presidio of San Francisco): PLI had a continued decline of revenue for fiscal year 2021. PLI had revenue losses of $259,748 in 2021.

- Sierra Nevada Field Campus (SNFC) (a satellite campus where the Corporation offers workshops and classes, as well as meals and lodging in a camp setting): With the persistence of the pandemic the field campus' stayed closed in fiscal year 2021. Thus, the program only generated $1,977 in program revenue compared to $14,130 in 2020.

- Commencement – graduation was held online again for fiscal year 2021.

Program revenue decreased by $1,155,141 (28%) in 2020 over 2019. The decrease in program revenue is primarily linked to COVID-19, which necessitated the campus move to remote activity, the cessation of face-to-face classes, and the cancellation of in person programs and events. Several of the Corporation's programs were significantly impacted by the cancellation of face-to-face interactions due to COVID-19. These included:

- Pacific Leadership Institute (a ropes course located in Fort Miley at the Presidio of San Francisco): PLI had a revenue loss of approximately $142,000 in fiscal year 2020.

- Sierra Nevada Field Campus (SNFC) (a satellite campus location where the Corporation offers workshops and classes, as well as meals and lodging in a camp setting): SNFC enrollment for the 2020 season had been trending higher than the 2019 season. However, the pandemic necessitated the campus' closure for the entire summer, and the program realized losses compared to 2019 of approximately $166,000.

- Commencement (the annual in-person graduation celebration, which was to be held at the ballpark): The program was canceled and moved online.

- The Family Acceptance Project program revenue decreased as well, partially due to COVID-19, as the program was not able to offer programming in person, and it took some time to readjust its offerings to virtual modalities. The Project's revenues were down by approximately $92,000 in 2020.

Each of these programs had revenue reduced or eliminated due to an inability to offer those programs in person.

The Corporation has self-operated retail locations on campus provided minimal services as the campus continued remote operations due to COVID-19. Revenue for these retail locations during the fiscal year had significant decreases due the modest operations. In 2021, the self-operated enterprises fared as follows:

- Open 24, an automated 24-hour vending machine, continued to operate but with very limited revenue. It generated retail revenue of $15,749 and $67,106 in fiscal years 2021 and 2020, respectively.

- Retail revenue for both convenience store operations was down in 2021 over 2020 due to the stores operating at less than full capacity during the fiscal year. Healthy U remained closed during the fiscal year. The Lobby Shop operated with reduced hours to support the limited staff and personnel that was on the campus throughout the fiscal year. The Lobby Shop revenue was $4,983 and $1,134,555 in fiscal years 2021 and 2020, respectively.

- Ctrl+P, an on-campus copy center, operated by the Corporation, had revenue of $45,501 and $200,161 in fiscal years 2021 and 2020, respectively. Ctrl+P was able to provide support to the campus by generating the signage needed to convey COVID-19 related health and safety protocols.

The Corporation continues to operate several retail locations on campus. These self-operated locations are a component of retail revenue. During the first nine months of the fiscal year 2020, all of the Corporation's retail locations were experiencing an increase in revenue. The onslaught of the COVID-19 pandemic exacted a deleterious impact on revenues, as the University's move to remote classes and activities vitiated the need for retail on campus. In compliance with municipal and State directives, the Corporations self-operating retail locations closed effective March 11, 2020. The Corporation self-operated enterprises fared as follows:

- Open 24, an automated 24-hour vending machine, continued to operate but with very limited revenue. It generated retail revenue of $67,106 and $50,285 in fiscal years 2020 and 2019, respectively.

- Despite what had been poised to be a banner year, retail revenue for both convenience store operations was down in 2020 over 2019 due to the store closures for the fourth quarter. The Lobby Shop ended the fiscal year mainly flat with a slight decrease over 2019. Healthy U ended the year down over the previous fiscal year by $171,985.

- Ctrl+P, an on-campus copy center, another one of the Corporation self-operating businesses, continued its growth in fiscal year 2020, prior to the forced closure. Ctrl+P ended the fiscal year down $48,651.

Follett continues to manage the University's campus bookstore through a contract with the Corporation. As the course materials industry continues to face challenges, the Corporation's commission revenue has continued to decline; the total revenue earned in 2021 was $197,408 and 2020 was $451,985. As with all other retail offerings on campus, the bookstore's physical operations remained closed during fiscal year 2021, which continued to have a significant impact on sales and ultimately on commissions.

Pursuant to its contract with Follett, the Corporation garners a commission based on certain sales. Yet the commission paid cannot fall below 10% less than the prior year's commission. This commission floor is a contract term, suspended in the case of a force majeure. In fiscal year 2020, due to the campus closure, the parties ultimately agreed to follow the contract's commission structure through March 2020 and thereafter follow an actual commission structure for the final months of the year. Follett has agreed to pay a total of $527,549 for fiscal year 2020, which is lower than the guaranteed minimum, which would have been $638,632 in a normal full year. Follett will remit the remainder between what has been paid to date and the total amount to be paid of $527,549.

Related-party revenue represents revenue received from the campus or other auxiliaries on campus. The related-party revenue is largely revenue from endowments held by the San Francisco State Foundation to provide support for campus programs (salary reimbursement, program expenses, and department chairs) and scholarships.

In 2021, related-party revenue from endowments decreased by $1,869,194 (32%) over 2020. In 2020, related-party revenue from endowments increased by $1,971,689 (51%) over 2019. These funds are used to support campus programs and scholarships.

Indirect costs from grants, contracts and campus programs were eliminated against revenue so as not to double count the total revenue and expenses. Indirect costs were $519,539 and $531,585 as of June 30, 2021 and 2020, respectively.

Rental Income

The Corporation has several sources of rental income, including 21 food-vending tenants, a bank, ATMs and a construction company leasing storage space. The campus closure and suspension of in-person classes, activities, and programs had a substantial impact on many of these revenue streams. The Corporation's vendors remained closed during fiscal year 2021 as the campus remained in remote modalities in response to the pandemic. The Corporation continued the rent abatement of rent and recharges for the food vendors. The rental abatement did not apply to income from the bank, ATMs, or the construction company leasing storage space; in those instances, the Corporation continued to receive rental income.

The Corporation continues to enjoy longstanding relationships with its vendors. Over the course of the past two years, there have been few changes:

- In 2021, the Corporation entered into a second amendment with Wells Fargo Bank, which reduced the monthly base rent to $580 from $2,440 for last four months of the renewal term starting March 1, 2021. The Second Amendment extends the term for an additional 3 years starting July 1, 2021.

- Ha Tien Cove, Inc. assigned their sublease to Silver Lake USA, LLC dba Pho Citi. The new agreement took effect in October 2020.

In 2021, due to the continued remote modalities, the University's residential community was much smaller than expected as the campus aimed to mitigate the spread of COVID-19 through the implementation of health and safety protocols. Thus, rental income realized from students in residence was substantially less than projected due to the significant impacts on occupancy. Due to the losses incurred by American Campus Communities and the University's commitment to maintaining health and wellness through social distancing and other safety protocols, the Corporation entered into a side letter agreement where terms were set out to share those losses. It was agreed that the Corporation would share 50% of those losses over time from the rent payments. Starting in fiscal year 2021 the ground rent paid by ACC to the Corporation was reduced to $400,000 instead of $650,000. The payback period will take place over a 10-year period and during this time; the Corporation would continue to receive $400,000. Because of the adjusted rent, the Corporation amended the straight-line rent schedule in 2021. In 2021, the Corporation recorded the straight-line rent related to the Holloway project for $610,922. The Corporation is also continuing to amortize the deferred rent carryover which is an annual reduction of $11,371. The total rent recorded was $599,551.

Student rental rates are expected to increase annually up to 3.5%, and based in part on increases with campus-operated student housing programs.

Other Revenue

Other revenue is a category where generally one time or non-reoccurring revenue that does not belong in the other operating revenue categories is captured.

During fiscal year 2021, other revenue increased by $5,129 (10%).

During fiscal year 2020, other revenue decreased by approximately $43,264 (46%). While this category of revenue would generally include revenue from a refund related to an unemployment insurance program for excess funds, the Corporation did not request a refund in fiscal year 2020.

OPERATING EXPENSES

Operating Expenses

Operating expenses are tied to the use of funds from grants, contracts, donations, program revenue, retail operations, transfers and other miscellaneous sources.

Operating expenses decreased in fiscal year 2021 by $1,881,789 (9%). In fiscal year 2021, indirect costs of $519,539 were eliminated against revenue from grants, contracts and campus programs, so as not to double count the total revenue and expenses. Expenses related to grants and contracts increased by $2,939,437 (203%) during 2021 as grant expenses increased due to the Genentech multi-year grant award and new grants such as the Gen-Pinc program. Scholarship expenses decreased over the prior year by $2,182,621 (53%), as more scholarships were given out to students during 2020 resulting from the support from the Genentech Foundation grant.

Operating expenses increased in fiscal year 2020 by $2,105,443 (12%). In fiscal year 2020, indirect costs of $531,585 were eliminated against revenue from grants, contracts and campus programs, so as not to double count the total revenue and expenses. Expenses related to grants and contracts increased by $235,656 (19%) during 2020 as grant expenses increased due to receiving a new Genentech multi-year grant awarded in fiscal year 2020. Scholarship expenses increased over the prior year by $1,986,353 (95%), as more scholarships were given out to students during 2020 resulting from support from the Genentech Foundation grant. More funding was received from endowments to support scholarships to students. Rental expenses were $574,712 for 2020 and 2019 respectively because of recording the straight-line rental expenses related to the Holloway Revitalization Project to return to San Francisco State.

During fiscal year 2021, the Corporation's retail operations remained closed through the fall semester but reopened in a reduced capacity in the spring semester as the campus remained primarily in remote modalities. Retail expenses were reduced during this time because the retail shop operated with a smaller staff and cost of goods sold was less as well, with less goods being sold due to a limited number of people on campus.

During fiscal year 2020, the Corporation's retail operations operated for nine months of the fiscal year because of the campus closure due to COVID-19. Retail expenses remained constant as the Corporation continued to pay its employees during the store closure through the end of the spring 2020 semester. Retail expenses decreased by $27,378 (1%) in 2020. The decrease in retail expenses is primarily related to the shops closure from March through June 2020. Retail expenses increased by approximately $12,773 (1%) in 2019; the increase was primarily attributed to the 3% increase in the rent for the retail space.

Management and general expenses decreased in 2021 by $593,068 (13%) due to a variety of factors. One contributing factor was the decrease in salary and benefits reimbursed to the University for the Corporation's administrative staff. There was retirement of one staff member and reorganizing of staff during this fiscal year, which led to a reduction in salary and benefits. There was also a reduction in expenses of approximately $369,000 in management and general as those expenses were added to the plant fund where the Corporation assets are depreciated based on the useful life.

Management and general expenses increased in 2020 by $778,627 (21%) due to a variety of factors, including an increase in salary and benefit reimbursement to the University for the Corporation's administrative staff, cost recovery expenses of $133,729 to the University and the Corporation's share of a State-mandated retirement loan replenishment for the administrative staff of $72,500.

NON-OPERATING REVENUES AND EXPENSES

Contributions

Contributions are recognized as revenue when they are verifiable, measurable, probable of collection, and the Corporation has met all time and eligibility requirements. Contributions were down in fiscal year 2021 over the prior fiscal year by $854,720 (21%). The Corporation received larger pledges in 2020 than 2021 and received large gifts specifically focused on assisting students with financial challenges as result of the pandemic in 2020. These factors largely contributed to the change in contribution received in 2021 compared to 2020. Even though contributions were down in fiscal year 2021, support for the campus and programs housed under the Corporation remains steady and consistent.

Contributions were down in fiscal year 2020 over the prior fiscal year by $181,756 (4%). The Corporation received a one-time $1.2 million contribution from PG&E in 2019, which accounts for the variance in comparison to the subsequent year.

Investment Return

Investment income increased in fiscal year 2021, as the U.S. economy continued to rebound and equities, which are important part of the Corporation's investment portfolio, performed well throughout the fiscal year. The Corporation's portfolio total composite ended the fiscal year up 21%.

Fiscal year 2020 saw volatile markets due to the global pandemic. The market was down to historic lows during the first quarter of 2020. The last quarter of the fiscal year saw an enormous rally, which wiped away the earlier significant losses in the Corporation's portfolio. Ultimately, the Corporation ended the fiscal year up 4.3%. Nonetheless, this was a decrease in investment income in fiscal year 2020 from the prior fiscal year. The Corporation's equity holdings and fixed income both ended the fiscal year positively. Investment returns, net for the fiscal year were down $334,989 (23%) over the prior fiscal years' earnings. The Corporation's total composite performance for fiscal year 2020 was 4.3% versus 4.5% for the composite allocation index.

SIGNIFICANT ITEMS

In August 2020, during fiscal year 2021, construction was completed on the Holloway Avenue Revitalization Project, now named Manzanita Square. As set forth in the agreements between the parties, upon the completion of construction, the developer began paying the minimum lease year rent of $650,000. The Corporation takes a 10% management fee and remits the remainder to the University.

The Corporation started at the end of last fiscal year working collaboratively with the developer and the University to address the unique challenges posed by operating the student residential housing facility in a pandemic. With continued remote modalities for the campus for the whole fiscal year a new letter was memorialized setting out the respective obligations of each, including the apportionment of the lost revenue for the fiscal year. The Corporation's obligation for its share of the lost revenue will be recouped over 10 years deducted from the rent. Starting in fiscal year 2021, the Corporation received $400,000 as the minimum lease year rent.

The Corporation continued to face significant impacts to its retail, rental and program revenue during the current fiscal year due to the university continuing remote operations for the fiscal year. In a conservative approach the Corporation did secure a line of credit to assist the Corporation with cash flow should a cash flow need arise. The Corporation did not and does not currently expect to utilize this credit line. The Corporation is optimistically anticipating that with a return to in-person classes and a larger presence of students, staff and faculty on campus that the retail, rental and program activity will slowly return to normal and expected levels.

During fiscal year 2021, the Corporation applied for and received PPP loan forgiveness. The loan was forgiven in full in the amount of $539,051. The full amount of the PPP loan was used to cover salary and benefits for staff that remained employed through the end of last fiscal year.

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

The University Corporation, San Francisco State
(Component Unit of San Francisco State University)

STATEMENTS OF NET POSITION

June 30,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 889,238	$ 1,949,373
Investments, unrestricted	24,209,369	19,681,258
Pledges receivable, net	525,658	873,782
Accounts receivable, net	1,144,200	875,625
Prepaid expenses and other assets	11,769	44,124
Total current assets	26,780,234	23,424,162
NONCURRENT ASSETS:		
Pledges receivable, net	7,485,087	10,068,057
Lease rent receivable (straight-line)	877,871	716,385
Investments:		
Unrestricted	11,939,262	10,113,042
Restricted	712,177	628,596
Capital assets, net	2,321,093	2,358,848
Total noncurrent assets	23,335,490	23,884,928
Total assets	50,115,724	47,309,090
DEFERRED OUTFLOWS OF RESOURCES (NOTE 2)	-	-
Total assets and deferred outflows of resources	$ 50,115,724	$ 47,309,090

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

The University Corporation, San Francisco State
(Component Unit of San Francisco State University)

STATEMENTS OF NET POSITION - CONTINUED

June 30,

	2021	2020
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 868,112	$ 634,468
Accrued salaries and benefits payable	177,701	186,896
Accrued compensated absences	118,782	102,221
Payable to related parties	826,484	461,683
Unearned revenue	28,057	69,842
Loan payable - current portion	-	181,290
Total current liabilities	2,019,136	1,636,400
NONCURRENT LIABILITIES:		
Lease rent payable (straight-line)	845,347	624,423
Loan payable and accrued interest	-	357,761
Total noncurrent liabilities	845,347	982,184
Total liabilities	2,864,483	2,618,584
DEFERRED INFLOWS OF RESOURCES (NOTE 2)	224,964	191,588
NET POSITION:		
Invested in capital assets	2,321,093	2,336,329
Restricted for:		
Nonexpendable - endowments	712,177	628,596
Expendable	32,861,099	33,442,197
Unrestricted	11,131,908	8,091,796
Total net position	47,026,277	44,498,918
Total liabilities, deferred inflows of resources and net position	$ 50,115,724	$ 47,309,090

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

The University Corporation, San Francisco State
(Component Unit of San Francisco State University)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years ended June 30,

	2021	2020
Operating revenues:		
Grants and contract revenue	$ 3,379,608	$ 12,809,772
Program revenue	2,211,526	2,909,573
Retail revenue	263,641	1,853,807
Programs funded by related parties	4,019,464	5,872,058
Rental income	1,358,608	2,308,842
Other revenues	56,320	51,191
Total operating revenues	11,289,167	25,805,243
Operating expenses:		
Grants and contracts	4,387,656	1,448,219
Campus programs	5,799,085	6,757,264
Rental expenses	538,704	574,712
Student scholarships	1,903,139	4,085,760
Management and general	3,827,985	4,421,053
Retail expenses	1,160,657	2,142,039
Student organization	87,952	186,180
Depreciation	446,435	418,175
Total operating expenses	18,151,613	20,033,402
Operating income (loss)	(6,862,446)	5,771,841
Non-operating revenues (expenses):		
Contributions	3,125,494	3,980,214
PPP loan forgiveness	539,051	-
Investment return	5,738,550	1,146,603
Endowment fees	(13,290)	(12,627)
Net non-operating revenues and reductions to permanent endowment	9,389,805	5,114,190
Change in net position	2,527,359	10,886,031
Net position, beginning of the year	44,498,918	33,612,887
Net position, end of the year	$ 47,026,277	$ 44,498,918

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

The University Corporation, San Francisco State
(Component Unit of San Francisco State University)

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2021	2020
Cash flows from operating activities:		
Receipts from programs	$ 12,130,522	$ 14,277,116
Rent receipts	1,197,122	1,990,649
Payments to suppliers	(9,244,131)	(11,856,193)
Payments to employees for services	(5,772,958)	(5,077,444)
Scholarships to students	(1,903,139)	(4,085,760)
Other	56,320	51,191
Net cash used in operating activities	(3,536,264)	(4,700,441)
Cash flows from noncapital financing activities:		
Donations received	3,058,411	3,176,075
Proceeds from PPP loan	-	538,255
Net cash provided by noncapital financing activities	3,058,411	3,714,330
Cash flows from capital and related financing activities:		
Capital asset additions	(408,680)	(782,973)
Net cash used in capital and related financing activities	(408,680)	(782,973)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	17,976,278	11,173,594
Purchase of investments	(20,040,785)	(8,401,278)
Investment income	1,890,905	154,181
Net cash provided by (used in) investing activities	(173,602)	2,926,497
Net change in cash and cash equivalents	(1,060,135)	1,157,413
Cash and cash equivalents, beginning of year	1,949,373	791,960
Cash and cash equivalents, end of year	$ 889,238	$ 1,949,373
Supplemental disclosures of cash flow activity:		
Non-cash activity:		
PPP loan forgiveness	$ 539,051	

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

The University Corporation, San Francisco State
(Component Unit of San Francisco State University)

STATEMENTS OF CASH FLOWS - CONTINUED

Years ended June 30,

		2021		2020
Reconciliation of operating loss to net cash flows used by operating activities:				
Operating income (loss)	$	(6,862,446)	$	5,771,841
Adjustments to reconcile operating income (loss) to net cash flows used by operating activities:				
Depreciation		446,435		418,175
Interest expense		-		796
Changes in assets and liabilities:				
Grants receivable		2,492,503		(9,090,372)
Accounts receivable, net		(268,575)		(84,854)
Prepaid expenses & other assets		32,355		2,322
Lease rent receivable (straight-line)		(161,486)		(318,193)
Accounts payable		233,644		(452,891)
Accrued salaries and benefits payable		(9,195)		2,482
Accrued compensated absences		16,561		18,297
Payable to related parties		364,801		(1,206,376)
Unearned revenue		(41,785)		(36,379)
Lease rent payable (straight-line)		220,924		274,711
Total adjustments		3,326,182		(10,472,282)
Net cash used by operating activities	$	(3,536,264)	$	(4,700,441)
Supplemental disclosures of cash flow activity:				
Non-cash activity:				
Donation of stock received	$	422,596	$	18,743
Unrealized gains (loss)	$	3,901,712	$	1,016,741

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

NOTE 1 - ORGANIZATION

The University Corporation, San Francisco State (the Corporation), formerly the San Francisco State University Foundation, Inc., is a nonprofit, tax-exempt California corporation. The Corporation serves as an auxiliary organization of San Francisco State University. The Corporation is a component unit of San Francisco State University (the University).

The Corporation was established in 1946 for the purpose of promoting and assisting the University through administration of educational projects, university research and development projects, commercial services and community outreach programs. The Corporation has grants, contracts and agreements with state, local and private agencies and organizations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The basic financial statements required by the Governmental Accounting Standards Board (GASB) Statement Nos. 34, 35 and 36 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 Corporation 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 Corporation to be reported in a single column in each of the basic financial statements. In accordance with the business-type activities reporting model, the Corporation 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 (U.S. GAAP), 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.

The Corporation considers assets to be current that 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 12 months of the date of the statement of net position. Liabilities that reasonably can be expected, as part of the Corporation's normal business operations, to be liquidated within 12 months of the date of the statement of net position are considered to be current. All other assets and liabilities are considered noncurrent, with the exception of those amounts that are required to be reported as deferred outflows or inflows of resources. The Corporation 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.

The Corporation's net assets are classified into the following categories:

- *Invested in Capital Assets*: Capital assets, net of accumulated depreciation; and any related debt;
- *Restricted, Nonexpendable*: Net assets subject to externally imposed conditions that the Corporation 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 Corporation or by the passage of time. This category includes grants, contracts, scholarships and fellowships;

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Capital Projects: Net assets subject to externally imposed conditions whose restricted use is for capital projects, which can be fulfilled by the actions of the Corporation; and

- *Unrestricted*: This represents all unrestricted net assets. Unrestricted net assets may be designated for use by management or the Board of Directors. As of June 30, 2021 and 2020, the Corporation maintains operating and capital reserves of $1,783,061.

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 Corporation's deposits may not be returned. The Corporation does not have a formal policy addressing custodial credit risk for its bank deposits. Although the Corporation is not a government agency, the financial institutions, in which the Corporation 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 would be collateralized by the bank by pledging identifiable collateral according to statute. Periodically, throughout the years ended June 30, 2021 and 2020, the Corporation maintained balances in excess of the federally insured limits.

Accounts Receivable, Net

Accounts receivable includes amounts due from special projects, business services, contracts and other receivables from the University. Accounts receivable of $1,144,200 and $875,625 as of June 30, 2021 and 2020, respectively, are shown net of an allowance for uncollectible accounts of $1,490 and $4,500, respectively.

Pledges Receivable, Net

Pledges receivable are unconditional promises of private gifts to the Corporation. Pledges meeting the requirements specified by GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* (GASB 33), are included in the financial statements as pledges receivable and recognized as revenue in the period pledged. Pledges extending beyond one year are discounted to recognize the present value of the future cash flows.

Pledges receivable, net as of June 30,	2021	2020
One year	$ 525,658	$ 873,782
Two to five	7,485,087	10,068,057
Total	$ 8,010,745	$ 10,941,839

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable, Net (Continued)

In subsequent years, this discount is accreted and recorded as additional contribution revenue in accordance with donor-imposed restrictions. In addition, pledges are recorded net of an allowance. The allowance for uncollectible pledges is determined by management. Discounts are computed using risk-adjusted market rates. Amortization of the discounts is included in grants and contracts revenue. The discount rate used to calculate the present value of pledges is 3.25% for both fiscal years 2021 and 2020. The pledge receivable discount at June 30, 2021 and 2020 is $427,577 and $766,114, respectively. Conditional promises and intentions to pledge are recognized as receivables and revenue when the specific condition and/or eligibility and recognition requirement is met.

The pledge receivable balance also includes annuities, which are held by the CSU Foundation on behalf of the Corporation, which serves as the designated entity for the University to collect and administer current use gifts. The annuities have been recorded at present value of the total annuity. The annuity recorded was $224,964 and $191,588 as of June 30, 2021 and 2020, respectively.

Investments

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

Investments in alternative investments are based upon the Corporation's net asset value (NAV) of the fair value of 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 the fund managers determine valuations. 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.

Restricted Investments

Investments made from donor-restricted endowments are pooled with the Corporation's other investments. Any appreciation of such investments is tracked separately and recorded in unrestricted net assets as long as the donor has not restricted those earnings. The Uniform Prudent Management of Institutional Funds Act (UPMIFA), passed in July 2006 and 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 Corporation'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 Corporation 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, leasehold improvements and equipment, are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to ten years for equipment and ten to thirty years for buildings and related improvements. Property and equipment with a value of less than $5,000 is not capitalized. Annually, the Corporation transfers ownership of the capital assets belonging to closed projects to the University, where appropriate. In addition, the Corporation also transfers capital assets purchased by Corporation projects when those assets are requested to be transferred to the University. There was no net book value of transfers made to the University during the fiscal years ended June 30, 2021 and 2020.

Compensated Absences

Employees accrue annual vacation leave based on length of service and job classification.

Revenue and Expenses

The Corporation classifies operating revenues into six categories: program revenue, grants and contracts, programs funded by related parties, retail revenue, rental income and other revenues. Program revenue, grants and contracts, and programs funded by related parties are derived from program-specific grants and contracts and contributions arising from exchange transactions with federal, state, local, private foundation and individual contributions restricted for a particular program. Programs funded by related parties represent primarily revenue transferred from the San Francisco State University Foundation for scholarships and campus programs.

The retail revenue and expenses category includes revenue from the operation of two convenience stores, the 24-hour automated vending machine, and a copy center. The balance relates to commission revenue from the operator of the University's bookstore.

Rental income is revenue generated from food vendors and commercial space leased to various corporations.

Other revenues are revenues that are not required to be reported under program revenue or rental income.

The non-operating revenue and expenses category includes revenue from restricted and unrestricted contributions where the restrictions have been met and transferred. This category also includes investment returns, which are net of administrative fees charged per the investment policy (such as interest, dividends and net realized and unrealized gains and losses).

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Corporation is a not-for-profit corporation 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 Corporation may generate income that is taxable. No provision has been recorded for income taxes, as the net income from unrelated business in the opinion of management; it is not material to the basic financial statements taken as a whole. The statute of limitations for federal and California state purpose is generally three and four years, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

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.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.

Level 2 - Inputs (other than quoted market prices included within level 1) that are observable for the asset/liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset/liability; used to the extent that observable inputs are not available.

NAV - the fair value of 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 the fund managers determine valuations. 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and would only be recognized as an inflow of resources (revenue) at that time. The Corporation has one item that qualifies for reporting in this category: deferred inflows from charitable gift annuities held at California State University Foundation.

Lease Revenue and Expense

The Corporation recognizes lease revenue on a straight-line basis over the term of the respective lease. Lease receivable represents the amount by which straight-line lease revenue exceeds rent currently billed in accordance with the lease agreements.

The Corporation recognizes lease expense on a straight-line basis over the term of the respective lease. Lease payable represents the amount by which straight-line lease expense exceeds rental expense currently remitted in accordance with the lease agreements.

NOTE 3 – INVESTMENTS

Investments consist of the following as of June 30, 2021:

		Investment Maturities (Years)				
	Fair Value	<1 Year	1 - 5 Years	6 - 10 Years	10+ Years	Other
Local agency investment fund	$ 4,901,065	$ 4,901,065	$ -	$ -	$ -	$ -
Broker money market funds	387,333	387,333	-	-	-	-
Treasury bonds	1,233,414		379,295	854,119	-	-
Agency securities	306,949	55,542	162,280	89,127	-	-
Corporate debt securities	1,920,369	55,229	1,375,090	490,050	-	-
Municipal bonds	574,345	60,625	206,057	307,663	-	-
Mortgage backed	452,330	-	-	155,652	296,678	-
Mutual funds	8,245,730	8,245,730	-	-	-	-
CMO					-	-
Asset-backed securities	263,313	-	263,313	-	-	-
REIT	298,066	298,066	-	-	-	-
Equity securities	10,205,779	10,205,779	-	-	-	
Alternative Investments	8,072,115	-	-	-	-	8,072,115
	$ 36,860,808	$24,209,369	$ 2,386,035	$ 1,896,611	$ 296,678	$ 8,072,115

Investments consist of the following as of June 30, 2020:

		Investment Maturities (Years)				
	Fair Value	<1 Year	1 - 5 Years	6 - 10 Years	10+ Years	Other
Local agency investment fund	$ 4,210,141	$ 4,210,141	$ -	$ -	$ -	$ -
Broker money market funds	461,319	461,319	-	-	-	-
Treasury bonds	1,196,734	125,508	283,199	788,027	-	-
Agency securities	431,089	-	131,629	299,460	-	-
Corporate debt securities	2,011,245	60,640	1,070,679	879,926	-	-
Municipal bonds	538,186	45,062	155,770	337,354	-	-
Mortgage backed	414,384	-	-	73,797	340,587	-
Mutual funds	6,247,828	6,247,828	-	-	-	-
CMO	209,085	50,485	92,037	66,563	-	-
Asset backed securities	124,838	-	124,838	-	-	-
REIT	258,291	258,291	-	-	-	-
Equity securities	8,221,984	8,221,984	-	-	-	
Alternative investments	6,097,772	-	-	-	-	6,097,772
	$ 30,422,896	$19,681,258	$ 1,858,152	$ 2,445,127	$ 340,587	$ 6,097,772

NOTE 3 – INVESTMENTS (CONTINUED)

Investment return for the years ended June 30, 2021 and 2020 consists of the following:

	2021	2020
Interest and dividends	$ 501,310	$ 755,385
Realized and unrealized gain	5,411,771	545,767
Management Fees	(174,531)	(154,549)
	$ 5,738,550	$ 1,146,603

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

Credit Risk - The Corporation'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 Corporation of the downgrade and provide a recommended course of action. Securities rated BBB are limited to 10% of the managers' bond portfolio, and the maximum exposure to an issuer rated BBB is limited to 3% of the Corporation's fixed income holdings.

Concentration of Credit Risk - Securities held by any one issuer are limited to 10% of a particular money manager's bond portfolio and 3% of the Corporation'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 Corporation's total investments.

Custodial Credit Risk – Custodial credit risk represents the risk that, in the event of failure of counterparty, the Corporation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Charles Schwab & Co., Inc. (including those held by clients of investment advisors with Schwab Institutional) are insured by SIPC for securities and cash in the event of broker-dealer failure. SIPC provides up to $500,000 of protection for brokerage accounts held in each separate capacity (e.g., joint tenant or sole owner), with limit of $250,000 for claims of uninvested cash balances. Additional brokerage insurance-in addition to SIPC protection- is provided to Charles Schwab & Co., Inc. accounts through underwriters in London. Schwab’s coverage with Lloyd’s of London and other London insurers, combined with SIPC coverage, provides protection of securities and cash up to an aggregate of $600 million, and is limited to a combined return to any customer from a Trustee, SIPC, and London insurers of $150 million, including cash of up to $1,150,000. This additional protection becomes available in the event that SIPC limits are exhausted. The Corporation does not have a formal policy covering custodial credit risk for its investments.

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 corporations, 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 the 2002 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 corporation, 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 - FAIR VALUE MEASUREMENT

At June 30, 2021 and 2020 the Corporation investments consist of the following assets, which are classified by level within the valuation hierarchy on a recurring basis at June 30:

	2021				
	Level 1	Level 2	Level 3	NAV	Total
Cash and Money Market Fund	$ 387,333	$ -	$ -	$ -	$ 387,333
Local Agency Investment Fund	-	-	-	4,901,065	$ 4,901,065
Corporate Debt Securities	1,537,185	383,184	-	-	1,920,369
Treasury Bonds	1,233,414	-	-	-	1,233,414
Agency Securities	306,949	-	-	-	306,949
Municipal Bonds	38,620	535,725	-	-	574,345
Mortgage Backed	-	452,330	-	-	452,330
CMO&	-		-	-	
Asset-Backed Securities	108,014	155,299	-	-	263,313
Mutual Funds	8,245,730	-	-	-	8,245,730
REIT	298,066	-	-	-	298,066
Equity Securities	10,205,779	-	-		10,205,779
Alternative Investments	-	-	-	8,072,115	8,072,115
	$22,361,090	$ 1,526,538	$ -	$12,973,180	$36,860,808

	2020				
	Level 1	Level 2	Level 3	NAV	Total
Cash and Money Market Fund	$ 461,319	$ -	$ -	$ -	$ 461,319
Local agency investment fund	-	-	-	4,210,141	4,210,141
Corporate debt securities	1,555,131	456,114	-	-	2,011,245
Treasury Bonds	1,196,734	-	-	-	1,196,734
Agency securities	431,089	-	-	-	431,089
Municipal bonds	54,426	483,760	-	-	538,186
Mortgage pools	-	414,384	-	-	414,384
CMO & Asset backed securities	74,667	259,256	-	-	333,923
Mutual funds	6,247,828	-	-	-	6,247,828
REIT	258,291	-	-	-	258,291
Equity Securities	8,221,984	-	-		8,221,984
Alternatives	-	-	-	6,097,772	6,097,772
	$18,501,469	$ 1,613,514	$ -	$10,307,913	$30,422,896

NOTE 4 - FAIR VALUE MEASUREMENT

Alternative Investments Measured at NAV

	Fair value	Unfunded commitments	Redemption frequency (If currently eligible)	Redemption notice period
Multi-strategy hedge funds				
Real estate funds	$ 3,087,304	-	Annually	90 days
Commingled fund	4,984,811	-	Monthly	10 days
Total alternative investments measured at the NAV	$ 8,072,115			

1. Real estate funds. This type includes two real estate funds that invest primarily in U.S. multi-family low income properties. These real estate funds purchases, own, and manage affordable housing including manufactured housing, senior housing, and student housing and commercial real estate. This category also includes a new credit strategy fund, which has acquisitions of credit-oriented real estate investments in the lower middle market. It is an open-ended fund to invest in fixed income and similar investments. 60% of the portfolio is in senior secured mortgages, 20% in real properties and 20% in other fixed return instruments.

   The fair values of the investments in this type have been determined using the NAV per share of the Plan's ownership interest in partners' capital. One investment can be redeemed after a lock-up period lasting a) two years after the fund has raised either $300 million or b) five years after the inception of the fund. After that, there is a 20% gate, so liquidity is provided quarterly, but no more than 20% of the fund can be liquidated in any given calendar year. The new credit strategy REIT fund has a 1-year lockup. The fund has a 90-day advance notice for any withdrawal of any quarter-end date. The Corporation has $1,336,596 in the fund at June 30, 2021. The second investment has a seven-year lockup after raising $200 million. The Corporation has invested $1,150,565 in this fund at June 30, 2021. The third investment has a 90-day notice after 1-year lockup and the Corporation has invested $600,143 in this at June 30, 2021.

2. Comingled fund. This type includes one fund that invests primarily in developed markets investing in international and Global equities with a long-term focus. The fair value of the investment in this type has been determined using the NAV per share.

NOTE 5 - ENDOWMENTS

Endowments held and administered by the Corporation are as follows at June 30:

	2021	2020
Restricted Net Assets - Nonexpendable		
Endowments	$ 712,177	$ 628,596

The Corporation's investment policy during fiscal years 2021 and 2020 allowed a 4% annual payout based on the quarterly average daily balance of the fund. The 4% annual payout was not changed during the years, and disbursements were allowed.

NOTE 6 - CAPITAL ASSETS

The following is a roll forward schedule of capital assets for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Reductions	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Construction in progress	$ 30,000	$ 10,000	$ -	$ -	$ 40,000
Capital assets being depreciated:					
Leasehold improvements	4,742,863	37,561	-		4,780,424
Equipment, furniture, and fixtures	1,313,050	362,132	(1,293)	-	1,673,889
Total capital assets	6,085,913	409,693	(1,293)	-	6,494,313
Less accumulated depreciation:					
Leasehold improvements	(1,767,966)	(296,941)	-	-	(2,064,907)
Equipment, furniture, and fixtures	(1,959,099)	(149,494)	280	-	(2,108,313)
Total accumulated depreciation	(3,727,065)	(446,435)	280	-	(4,173,220)
Net capital assets	$ 2,358,848	$ (36,742)	$ (1,013)	$ -	$ 2,321,093

Total depreciation expense for the year ended June 30, 2021 was 446,435.

The following is a roll forward schedule of capital assets for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Reductions	Transfers	Balance June 30, 2020
Capital assets not being depreciated:					
Construction in progress	$ 1,023,629	$ 30,000	$ -	$ (1,023,629)	$ 30,000
Capital assets being depreciated:					
Leasehold improvements	3,113,948	605,286	-	1,023,629	4,742,863
Equipment, furniture, and fixtures	1,165,363	147,687	-	-	1,313,050
Total capital assets	5,302,940	782,973	-	-	6,085,913
Less accumulated depreciation:					
Leasehold improvements	(1,456,162)	(311,804)	-	-	(1,767,966)
Equipment, furniture, and fixtures	(1,852,728)	(106,371)	-	-	(1,959,099)
Total accumulated depreciation	(3,308,890)	(418,175)	-	-	(3,727,065)
Net capital assets	$ 1,994,050	$ 364,798	$ -	$ -	$ 2,358,848

Total depreciation expense for the year ended June 30, 2020 was $418,175.

NOTE 7 – LOAN PAYABLE (PAYCHECK PROTECTION PROGRAM LOAN)

On May 3, 2020, the Corporation received loan proceeds for $538,255 pursuant to the Paycheck Protection Program (the "PPP") under Division a, Title I of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted March 27, 2020.

The loan, which was in the form of a promissory note dated May 3, 2020 issued by the Corporation, matures on May 3, 2022 and bears interest at a rate of 1.00% per annum, payable monthly for $22,661 commencing on November 3, 2020. The Corporation may prepay the note at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020 over the eight-week period following the date of the loan. The Corporation used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The Corporation applied for and received notification on May 13, 2021, the PPP loan amount of $538,255, was forgiven under the U.S. Small Business Administration (SBA). The PPP loan forgiveness is reflected in the non-operating revenues of the accompanying Statement of Revenues, Expenses and Change in Net Position. The loan amount of $539,051, including accrued interest of $796, is reflected in supplemental noncash activity of the accompanying Statement of Cash Flows.

NOTE 8 – REVOLVING LINE OF CREDIT

During the fiscal year ended June 30, 2021, the Corporation secured a line of credit agreement with Bank of San Francisco for $3,000,000. There were no borrowings against the line at June 30, 2021. The interest for the line of credit is based Prime Rate as published in the Wall Street Journal (the "Index"). The Index currently is 3.250% per annum. The term of the line of credit is February 24, 2021 to February 24, 2022. The Corporation is required to maintain a minimum of $7,500,000 in liquid assets at all times which is reviewed on a quarterly basis.

NOTE 9 - RELATED PARTIES

During the years ended June 30, 2021 and 2020, the Corporation paid $10,466,350 and $12,209,946, respectively, to the University for salary reimbursement, tuition and fees, scholarships, facilities, and other administrative costs. The Corporation paid $531,069 and $107,900 to the San Francisco State University Foundation in 2021 and 2020, respectively, for reimbursements. During the years ended June 30, 2021 and 2020, the Corporation received $827,854 and $668,064, respectively, from the University for reimbursements related to grants and contracts, campus programs, and operating facilities used by University students. During the years ended June 30, 2021 and 2020, the Corporation received $4,269,097 and $6,055,355, respectively, from the San Francisco State University Foundation for reimbursements and services. During the years ended June 30, 2021 and 2020, the Corporation received $551,942 and $661,872, respectively, from ASI for student support, reimbursements, and accounting services.

Effective July 1, 2014, the Corporation entered into an operating agreement and lease ("Master Lease") with the Board of Trustees of the California State University ("Trustees") for the facilities and space that it utilizes in the Cesar Chavez Student Center ("the Student Center"). The term of the Master Lease was extended with a term from July 1, 2019 to June 30, 2029. The Corporation shares usage of the facility with Associated Students of San Francisco State University ("ASI"). For lease costs, the Corporation is required to pay its share of common area and facilities upkeep costs. For the years ended June 30, 2021 and 2020, the Corporation reimbursed the University $770,443 and $990,493, respectively, for its 54% share of the Student Center, which is included in the $10,466,350 and $12,209,946, respectively, paid to the University.

NOTE 9 - RELATED PARTIES (CONTINUED)

As part of the Master Lease agreement with the University, the Corporation agreed to donate any residual net rental income to ASI to support student-related programs and activities it assumed from the Student Center. For the years ended June 30, 2021 and 2020, the residual net rental income contributed to ASI was $0 and $45,672, respectively.

At June 30, 2021 and 2020, the Corporation's recorded receivables from the University were $35,595 and $96,329, respectively, and payables to the University were $813,353 and $461,683, respectively. At June 30, 2021 and 2020, the Corporation's recorded receivables from its affiliates totaled $162,702 and $151,084, respectively, and payables to its affiliates totaled $13,131 and $47,964, respectively.

NOTE 10 - STUDENT CENTER LEASE OPERATIONS

On June 5, 2014, the Board of Directors of the Student Center approved the merger of the Student Center with ASI, a related party. The Student Center ceased its operations on June 30, 2014. Beginning July 1, 2014, all student-related programs, activities and transactions of the Student Center transferred to ASI with the exception of the lease operations, which were assumed by the Corporation.

On June 30, 2014, all rental agreements and contracts between the concessionaries and the Student Center terminated. Effective July 1, 2014, those rental activities were assumed by the Corporation on behalf of the University and were converted to month-to-month lease agreements. As of June 30, 2021, total rental receipts, including recharges, amounted to $729,528 and total expenses were $821,766. As of June 30, 2020, total rental receipts including recharges amounted to $1,313,859, and total expenses were $1,349,020.

During fiscal year 2016, the Corporation entered into long-term sublease arrangements with many of its vendors in the Student Center. The terms of those subleases commenced on either July 1, 2015 or August 1, 2015, and all were set to terminate on June 30, 2019. Base rents ranged from $13,000 - $50,500 annually depending on the specific vendor and increased 3% in each year of the contract, with the first increase occurring July 1, 2016 for all subleases and with subsequent 3% increases on July 1 each year thereafter. Each sublessee had the opportunity to opt for a second five-year term, which extend from July 1, 2019 to June 30, 2024. All vendors have executed subleases in place.

NOTE 11 – RENT WAIVER

During fiscal year 2021, the Corporation continued to provide a rent waiver program for its vendors through fiscal year 2021 as the University continued remote modalities for the academic year in response to the Covid-19 global pandemic. All retail and commercial services were halted, with the exception of Sodexo continuing to operate the Residential Dining Center for essential purposes. The total rent waived by the Corporation at June 30, 2021 was $1,290,501.

NOTE 12 - ADMINISTRATION FEES

The Corporation charges the following administrative fees:

- The Corporation charges a one-time administrative fee of 5% when a gift is accepted, unless the gift is for scholarships in which case, no fees are charged. Gifts are funds received from donor contributions, and fundraising revenue that projects receive for their respective programs and overall campus fundraising efforts;

- The Corporation charges a one-time administrative fee of 10% when campus programs generate revenue. The Corporation defines program revenue as earned revenue for which a tax deduction would not qualify. Membership fees, conferences and meetings, fees for service, sale of goods and special events are highlighted examples of program revenue;

- The Corporation may charge an administrative fee for activity under various business partnerships with the campus or other auxiliaries such as the Corporation providing administration of commencement. Fees earned are based on the fees negotiated per each agreement; and

- Grants and contracts are charged an administrative fee based on the rate provided by the granting agency and are calculated as a percentage of grant expense or salaries and wages. Indirect costs and administrative fees from grants, contracts and campus programs were eliminated against revenue as not to double count the total revenue and expenses.

Administrative fees of $519,539 and $531,585 were charged by the Corporation during the years ended June 30, 2021 and 2020, respectively.

NOTE 13 - RISK FINANCING ACTIVITIES

The Corporation 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 Corporation carries commercial insurance. The Corporation 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 14 - LITIGATION

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

NOTE 15 - RETIREMENT PLAN

The Corporation adopted a 403(b) retirement and savings plan, which matches 50% of employee contributions up to 5% of each employee’s eligible compensation. The Corporation’s contributions for the plan years ended June 30, 2021 and 2020 were $24,428 and $20,577, respectively.

NOTE 16 - LEASES

Follett (Bookstore Operation)

The Corporation continues to maintain an agreement with Follett Higher Education Group, Inc. (“Follett”) to manage the campus bookstore. Follett is required to make various operating and financial commitments to the Corporation in addition to the annual percentage of sales commission required by the agreement. The agreement has been in place since 2012 and upon the expiration of the initial 5-year term, the parties have been evoking options for additional two-year terms. The Corporation completed the first two-year option at June 30, 2019. The second two-year option began July 1, 2019. The third and final two-year option began July 1, 2021 and will terminate on June 30, 2023

American Campus Communities (ACC) (Holloway Revitalization Project)

As further discussed in Note 17, during 2018, the Corporation entered into a 65-year ground sublease with American Campus Communities (“ACC”), for Block Six, a one-acre parcel it leased from the University to develop student housing and other amenities. Rental income for the sublease and rental expense for the associated ground lease with the University have been calculated using straight-line methodologies. The amortized rent revenue is $610,922 throughout the lease term. At June 30, 2021 and 2020, lease rent receivable was $877,871 and $716,385, respectively. The amortized rental expense is $548,616 throughout the lease term. At June 30, 2021 and 2020, rent payable was $845,347 and $624,423, respectively.

Long-term liability activities for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Lease rent payable	$ 624,423	$ 548,616	$ (327,692)	$ 845,347

The estimated future minimum rental payments to be received under the operating lease are as follows:

Year ending June 30,	Amortized rent revenue	Minimum rental receipts
2022	$ 610,922	$ 400,000
2023	610,922	400,000
2024	610,922	400,000
2025	610,922	400,000
2026	610,922	400,000
Thereafter	34,822,532	36,050,000
Total	$ 37,877,142	$ 38,050,000

NOTE 16 – LEASES (CONTINUED)

The estimated future minimum rental expense to be paid under the ground lease is follows:

Year ending June 30,	Amortized rent expense	Minimum payment
2022	$ 548,616	$ 360,000
2023	548,616	360,000
2024	548,616	360,000
2025	548,616	360,000
2026	548,616	360,000
Thereafter	31,271,085	32,445,000
Total	$ 34,014,165	$ 34,245,000

NOTE 17 - HOLLOWAY AVENUE REVITALIZATION PROJECT (MANZANITA SQUARE)

The Corporation, as a business partner of the University has entered into ground lease with the University, dated January 2018 for Block Six, a one-acre parcel. The Corporation entered into the lease with the purpose of subleasing the premises to a third party, Holloway Avenue Partners, LLC (the “LLC”), which will own and operate a one-building facility consisting of approximately 230,000 - 280,000 gross square feet with (a) approximately 167 apartment-style student housing units with kitchens comprising a total of approximately 542 beds on levels 3-8; (b) approximately 20,000 - 70,000 gross square feet of ground floor and plaza level space, including 20,000 - 45,000 net leasable square footage of retail space and the balance of the ground floor and plaza level space consisting of residential support and “back-of-house” space; and (c) approximately 20-50 parking spaces. The ground sublease was amended effective October 2, 2018 to include American Campus Communities Operating Partnership LP; a Maryland limited partnership (“ACC”, collectively with the LLC, the “Tenants”). The lease and sublease terms are for 65 years ending June 30, 2083 unless terminated or extended pursuant to the terms of the respective leases. Construction began October 2018. Once construction commenced, the Tenants were required to pay construction period rent, which is defined as the rent payable during the construction period in an amount equal to $320,000 per annum. The Corporation collects the rent from ACC in all amounts set out in the Sublease. Annual base rent on the sublease will begin upon project opening and continue through the end of the term. The annual base rent is equal to the greater of minimum lease year rent or the percentage rent. Minimum lease rent is set at $650,000. Annual base rent for years subsequent to year one shall increase at a percentage equal to the percentage increase in the effective gross residential revenue on the project in such lease year compared to the effective gross residential revenue in the preceding lease year. The Corporation will collect rent from the Tenants and will remit to the University all revenue derived after first deducting a management fee of ten percent (10%) of the gross revenue and, thereafter, deducting any related project cost incurred by the Corporation.

During fiscal year 2021, the Corporation executed agreements with ACC to address temporary changes to the 2020-2021 academic year because of Covid-19 and the University’s remote operations. These changes reduced the expected operating revenues for the project. The revenue loss for 2020-2021 academic year will be offset by ACC against Annual Base Rent an amount equal to 50% of the revenue loss for 2020-2021 academic year. ACC commenced the rent offset in fiscal year 2020-2021, because of the rent offset ACC will pay $400,000 per year towards annual base rent until the rent offset has been fully applied.

The total cumulative costs incurred through June 30, 2021 by the Corporation was $591,461. The Corporation has recorded these costs as expenses and will discuss with related parties about the potential for reimbursement in future periods.

NOTE 18 – SUBSEQUENT EVENTS

The Corporation has reviewed its financial statements for all subsequent events through September 17, 2021, the date the financial statements were issued. Management continues to evaluate the ongoing impacts of the COVID-19 pandemic on higher education and the Corporation's operations. With new health guidance, the University will reopen for in-person classes, activities and programs. It is expected because of the COVID-19 pandemic, the University moved to remote operations, which suspended in-person classes, activities, and programs. The University will continue to offer a hybrid mix of in person and virtual classes. As a result of the campus reopening for in person activities and having an more students living on campus, all of the Corporation vending partners are expected to re-open and planning has begun for various programs that had been closed to resume their in person activity. The Corporation will be approaching the new fiscal year optimistically with the expectation that retail operations and vending will be operating close to normal levels. Management has concluded that while the impact of a significant resurgence of COVID-19 could have consequential effects, which have a negative impact on the Corporation's financial position, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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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
The University Corporation, San Francisco State

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 The University Corporation, San Francisco State (Component Unit of San Francisco State University) (the Corporation), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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 Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Windes, Inc.

Long Beach, California
September 17, 2021

The University Corporation, San Francisco State
(Component Unit of San Francisco State University)

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

The auditors' report expressed an unmodified opinion on whether the financial statements of The University Corporation, San Francisco State 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

THE UNIVERSITY CORPORATION, SAN FRANCISCO STATE

SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF NET POSITION
JUNE 30, 2021
(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	$ 889,238
Short-term investments	24,209,369
Accounts receivable, net	1,144,200
Capital lease receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	525,658
Prepaid expenses and other current assets	11,769
Total current assets	26,780,234
Noncurrent assets:	
Restricted cash and cash equivalents	-
Accounts receivable, net	-
Capital lease receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	7,485,087
Endowment investments	712,177
Other long-term investments	11,939,262
Capital assets, net	2,321,093
Other assets	877,871
Total noncurrent assets	23,335,490
Total assets	50,115,724
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Others	-
Total deferred outflows of resources	-

THE UNIVERSITY CORPORATION, SAN FRANCISCO STATE

SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF NET POSITION
JUNE 30, 2021
(for inclusion in the California State University)
(Continued)

Liabilities:	
Current liabilities:	
Accounts payable	1,694,596
Accrued salaries and benefits	177,701
Accrued compensated absences, current portion	118,782
Unearned revenues	28,057
Capital lease obligations, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	-
Total current liabilities	2,019,136
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Capital lease obligations, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	845,347
Total noncurrent liabilities	845,347
Total liabilities	2,864,483
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	224,964
Others	-
Total deferred inflows of resources	224,964
Net position:	
Net investment in capital assets	2,321,093
Restricted for:	
Nonexpendable – endowments	712,177
Expendable:	
Scholarships and fellowships	32,861,099
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	11,131,908
Total net position	$ 47,026,277

THE UNIVERSITY CORPORATION, SAN FRANCISCO STATE

SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2021
(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	$ -
Scholarship allowances (enter as negative)	-
Grants and contracts, noncapital:	
Federal	-
State	60,000
Local	-
Nongovernmental	3,319,608
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	7,853,239
Scholarship allowances (enter as negative)	-
Other operating revenues	56,320
Total operating revenues	11,289,167
Expenses:	
Operating expenses:	
Instruction	2,013,268
Research	671,165
Public service	556,828
Academic support	1,837,062
Student services	1,477,471
Institutional support	1,754,021
Operation and maintenance of plant	835,293
Student grants and scholarships	4,563,390
Auxiliary enterprise expenses	3,996,680
Depreciation and amortization	446,435
Total operating expenses	18,151,613
Operating income (loss)	(6,862,446)
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	3,125,494
Investment income (loss), net	5,738,550
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses) - excl. interagency transfers	525,761
Net nonoperating revenues (expenses)	9,389,805

THE UNIVERSITY CORPORATION, SAN FRANCISCO STATE

SUPPLEMENTARY FINANCIAL INFORMATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2021
(for inclusion in the California State University)
(Continued)

Income (loss) before other revenues (expenses)	2,527,359
State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	2,527,359
Net position:	
Net position at beginning of year, as previously reported	44,498,918
Restatements	-
Net position at beginning of year, as restated	44,498,918
Net position at end of year	$ 47,026,277

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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	889,238
Total	$ 889,238

2.1. COMPOSITION OF INVESTMENTS:

Investment Type	Current	Noncurrent	Total
Money Market funds	$ 387,333	$ -	$ 387,333
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	55,542	251,407	306,949
U.S. treasury securities		1,233,414	1,233,414
Municipal bonds	60,625	513,720	574,345
Corporate bonds	55,229	1,865,140	1,920,369
Asset-backed securities	-	263,313	263,313
Mortgage-backed securities	-	452,330	452,330
Commercial paper	-	-	-
Mutual funds	8,245,730	-	8,245,730
Exchange-traded funds	-	-	-
Equity securities	10,205,779	-	10,205,779
Alternative investments:			
Private equity (including limited partnerships)	-	-	-
Hedge funds	-	-	-
Managed futures	-	-	-
Real estate investments (including REITs)	298,066	-	298,066
Commodities	-	-	-
Derivatives	-	-	-
Other alternative investment types		8,072,115	8,072,115
Other external investment pools	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	4,901,065	-	4,901,065
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments	-	-	-
Total investments	24,209,369	12,651,439	36,860,808
Less endowment investments	-	(712,177)	(712,177)
Total investments, net of endowments	$ 24,209,369	$ 11,939,262	$ 36,148,631

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2.2 FAIR VALUE HIERARCHY IN INVESTMENTS:

		FAIR VALUE MEASUREMENTS USING			
Investment Type	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money Market funds	$ 387,333	$ 387,333	$ -	$ -	$ -
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	306,949	306,949	-	-	-
U.S. treasury securities	1,233,414	1,233,414	-	-	-
Municipal bonds	574,345	38,620	535,725	-	-
Corporate bonds	1,920,369	1,537,185	383,184	-	-
Asset-backed securities	263,313	108,014	155,299	-	-
Mortgage-backed securities	452,330	-	452,330	-	-
Commercial paper	-	-	-	-	-
Mutual funds	8,245,730	8,245,730	-	-	-
Exchange-traded funds	-	-	-	-	-
Equity securities	10,205,779	10,205,779			-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	298,066	298,066	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	8,072,115	-	-	-	8,072,115
Other external investment pools	-	-	-	-	-
CSU consolidated investment pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	4,901,065	-	-	-	4,901,065
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
Total investments	$ 36,860,808	$ 22,361,090	$ 1,526,538	$ -	$ 12,973,180

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)	$ -	$ -	$ -
	$ -	$ -	$ -

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3.1. COMPOSITION OF CAPITAL ASSETS:

	Balance June 30, 2020	Reclassifications	Prior-Period Adjustments	Balance June 30, 2020 (Restated)	Additions	Retirements	Transfers of Completed CWIP/PWIP	Balance June 30, 2021
Nondepreciable/nonamortizable capital assets:								
Land and land improvements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Works of art and historical treasures	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	30,000	-	-	30,000	10,000	-	-	40,000
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	30,000	-	-	30,000	10,000	-	-	40,000
Depreciable/amortizable capital assets:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	4,742,863	-	-	4,742,863	37,561	-	-	4,780,424
Personal property:								
Equipment	1,313,050	-	-	1,313,050	362,132	(1,293)	-	1,673,889
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	6,055,913	-	-	6,055,913	399,693	(1,293)	-	6,454,313
Total capital assets	6,085,913	-	-	6,085,913	409,693	(1,293)	-	6,494,313
Less accumulated depreciation/amortization:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(1,767,966)	-	-	(1,767,966)	(296,941)		-	(2,064,907)
Personal property:								
Equipment	(1,959,099)	-	-	(1,959,099)	(149,494)	280	-	(2,108,313)
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	(3,727,065)	-	-	(3,727,065)	(446,435)	280	-	(4,173,220)
Total capital assets, net	$ 2,358,848	$ -	$ -	$ 2,358,848	$ (36,742)	$ (1,013)	$ -	$ 2,321,093

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3.2 DETAIL OF DEPRECIATION AND AMORTIZATION EXPENSE:

	Amount
Depreciation and amortization expense related to capital assets	$ 446,435
Amortization expense related to other assets	-
Total depreciation and amortization	$ 446,435

4. LONG-TERM LIABILITIES:

	Balance June 30, 2020	Prior-Period Adjustments Reclassifications	Balance June 30, 2020 (Restated)	Additions	Reductions	Balance June 30, 2021	Current Portion	Noncurrent Portion
1. Accrued compensated absences	$ 102,221	$ -	$ 102,221	$ 55,757	$ (39,196)	$ 118,782	$ 118,782	$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capitalized lease obligations:								
Gross balance	-	-	-	-	-	-	-	-
Unamortized premium/(discount)	-	-	-	-	-	-	-	-
Total capitalized lease obligations	-	-	-	-	-	-	-	-
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 Others:	-	-	-	-	-	-	-	-
PPP loan advance and accrued interest	539,051	-	539,051	-	(539,051)	-	-	-
Total others	539,051	-	539,051	-	(539,051)	-	-	-
Subtotal long-term debt obligations	539,051	-	539,051	-	(539,051)	-	-	-
Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
Total long-term debt obligations	539,051	-	539,051	-	(539,051)	-	-	-
Total long-term liabilities	$ 641,272	$ -	$ 641,272	$ 55,757	$ (578,247)	$ 118,782	$ 118,782	$ -

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5. CAPITALIZED LEASE OBLIGATIONS SCHEDULE:

	Capitalized Lease Obligations Related to SRB			All Other Long-Term Lease Obligations			Total Capital Lease Obligations		
Year Ending June 30,	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027-2031	-	-	-	-	-	-	-	-	-
2032-2036	-	-	-	-	-	-	-	-	-
2037-2041	-	-	-	-	-	-	-	-	-
2042-2046	-	-	-	-	-	-	-	-	-
2047-2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total Minimum Lease Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
								Less amounts representing interest	-
								Present value of future minimum payments	-
								Unamortized net premium (discount)	-
								Total capital lease obligations	-
								Less current portion	-
								Capital lease obligations, net of current portion	$ -

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6. LONG-TERM DEBT OBLIGATIONS SCHEDULE:

	Auxiliary Revenue Bonds (non-SRB related)			All Other Long-Term Debt Obligations			Total Long-Term Debt Obligations		
Year Ending June 30,	**Principal Only**	**Interest Only**	**Principal and Interest**	**Principal Only**	**Interest Only**	**Principal and Interest**	**Principal Only**	**Interest Only**	**Principal and Interest**
2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027-2031	-	-	-	-	-	-	-	-	-
2032-2036	-	-	-	-	-	-	-	-	-
2037-2041	-	-	-	-	-	-	-	-	-
2042-2046	-	-	-	-	-	-	-	-	-
2047-2051	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total Minimum Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-

Less amounts representing interest	-
Present value of future minimum payments	-
Unamortized net premium (discount)	-
Total long-term debt obligations	-
Less current portion	-
Long-term debt obligations, net of current portion	$ -

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7. TRANSACTIONS WITH RELATED ENTITIES

		Amount
Payments to University for salaries of University personnel working on contracts, grants, and other programs	$	3,707,966
Payments to University for other than salaries of University personnel	$	6,758,384
Payments received from University for services, space, and programs	$	827,854
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	$	(813,353)
Other amounts (payable to) University	$	-
Accounts receivable from University	$	35,595
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	$ 1,354,289	$ 433,445	$ -	$ -	$ -	$ 225,534	$ -	$ 2,013,268
Research	460,886	95,541	-	-	-	114,738	-	671,165
Public service	261,799	86,908	-	-	-	208,121	-	556,828
Academic support	725,810	239,773	-	-	-	871,479	-	1,837,062
Student services	503,702	216,416	-	-	-	757,353	-	1,477,471
Institutional support	425,522	220,949	-	-	-	1,107,550	-	1,754,021
Operation and maintenance of plant	5,100	645	-	-	-	829,548	-	835,293
Student grants and scholarships	-	-	-	-	4,563,390	-	-	4,563,390
Auxiliary enterprise expenses	284,546	137,000	-	-	-	3,575,134	-	3,996,680
Depreciation and amortization	-	-	-	-	-	-	446,435	446,435
Total Operating Expenses	$ 4,021,654	$ 1,430,677	$ -	$ -	$ 4,563,390	$ 7,689,457	$ 446,435	$ 18,151,613

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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 - others	-
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-
Total deferred outflows - others	-
Total deferred outflows of resources	$ -
2. Deferred inflows of resources	
Deferred inflows - service concession arrangements	$ -
Deferred inflows - net pension liability	-
Deferred inflows - net OPEB liability	-
Deferred inflows - unamortized gain on debt refunding(s)	-
Deferred inflows - nonexchange transactions	224,964
Deferred inflows - other	-
Sales/intra-entity transfers of future revenues	-
Gain/loss on sale leaseback	-
Loan origination fees and costs	-
Change in fair value of hedging derivative instrument	-
Irrevocable split-interest agreements	-
Total deferred inflows - others	-
Total deferred inflows of resources	$ 224,964

11. OTHER NONOPERATING REVENUES (EXPENSE)

Other nonoperating revenues	$ 539,051
Other nonoperating (expenses)	(13,290)
Total other nonoperating revenues (expenses)	$ 525,761