

**California State University, Fresno
Association, Inc.**

**2016-17
Annual Report**

**Approved by the Audit Committee
September 14, 2017**

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
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CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
CORPORATE INFORMATION
For Fiscal Year Ended June 30, 2017

BOARD OF DIRECTORS

Ms. Deborah S. Adishian-Astone	Vice President for Administration
Dr. Kevin Ayotte	Chair, Academic Senate
Dr. Michael Botwin	Faculty Representative
Dr. Carolyn Coon	President's Designee for Student Affairs
Dr. Frank Lamas	Vice President for Student Affairs
Mr. Jose Plascencia	Community Member
Mr. R. Gary Renner	Community Member
Ms. Angelica Reyes	Chair, University Student Union Board of Directors
Mr. Tim Ryan	President, Associated Students California State University, Fresno
Mr. Blake Zante	Executive Vice President, Associated Students California State University, Fresno
Dr. Lynnette Zelezny	Provost and Vice President of Academic Affairs

OFFICERS

Ms. Deborah S. Adishian-Astone	Chair
Dr. Frank Lamas	Vice Chair
Dr. Michael Botwin	Secretary/Treasurer

AUDIT COMMITTEE

Ms. Deborah S. Adishian-Astone	Ex-Officio Member
Dr. Kevin Ayotte	Chair, Academic Senate
Mr. Marshall Kelley	Community Member
Mr. Jose Plascencia	Community Member
Mr. R. Gary Renner, Chair	Community Member

EXECUTIVE STAFF

Ms. Deborah S. Adishian-Astone	Executive Director
Ms. Kate Tuckness	Auxiliary Controller
Mr. John Melikian	Staff Counsel

CORPORATE DATA

Executive Offices	2771 East Shaw Avenue Fresno, California 93710-8205 Telephone: (559) 278-0800
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Auditors	Price Paige & Company Accountancy Corporation 677 Scott Avenue Clovis, California 93612 Telephone: (559) 299-9540 www.ppcpas.com
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
California State University, Fresno Association, Inc.
Fresno, California

We have audited the accompanying financial statements of California State University, Fresno Association, Inc. (the Association), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association'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.

677 Scott Avenue
Clovis, CA 93612
tel 559.299.9540
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California State University, Fresno Association, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the California State University, Fresno Association, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 7, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information reflected on pages 23-28 is presented, as required by the Chancellor of the California State University, for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Price Pange & Company

Clovis, California
September 8, 2017

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016**

ASSETS	2016 TOTAL	2017 TOTAL	RESTRICTED FUND SAVE MART CENTER	AUXILIARY ACTIVITIES FUND		
			COMMERCIAL OPERATIONS	UNIVERSITY COURTYARD	STUDENT UNION/REC CENTER	
Current Assets:						
Cash and Cash Equivalents:						
On-Hand and in Commercial Accounts	\$ 5,576,910	\$ 4,341,704	\$ (2,501,104)	\$ 3,318,922	\$ 2,880,506	\$ 643,380
Savings Accounts	17,323,920	15,407,472	(8,875,706)	11,777,906	10,222,098	2,283,174
Total Cash and Cash Equivalents (Note 3)	22,900,830	19,749,176	(11,376,810)	15,096,828	13,102,604	2,926,554
Pledges Receivable-Save Mart Center (Note 4)	3,649,241	2,951,250	2,951,250			
Accounts Receivable	10,760,804	9,704,675	132,707	2,122,873	7,417,084	32,011
Allowance for Doubtful Accounts	(71,375)	(110,305)		(53,947)	(56,358)	
Inventories	2,050,860	1,093,785		1,083,411		10,374
Prepaid Expenses	67,194	68,261		45,414	7,492	15,355
Total Current Assets	39,357,554	33,456,842	(8,292,853)	18,294,579	20,470,822	2,984,294
Long-Term Assets:						
Pledges Receivable-Save Mart Center (Note 4)	13,255,194	11,971,204	11,971,204			
Investments (Note 7)	3,685,513	10,495,505		10,495,505		
Other Assets - Restricted (Note 12)	3,141,456	0	0			
Total Long-Term Assets	20,082,163	22,466,709	11,971,204	10,495,505	0	0
Fixed Assets:						
Buildings and Improvements	115,270,343	115,347,710	102,512,232	2,012,451	10,823,027	
Land Development Costs	715,706	715,706	715,706			
Equipment, Furniture and Fixtures	18,767,170	19,026,235	5,014,452	5,362,422	7,064,091	1,585,270
Intangible Assets	40,000	40,000		40,000		
Construction in Progress	0	360,031		360,031		
Total	134,793,219	135,489,682	108,242,390	7,774,904	17,887,118	1,585,270
Less Accumulated Depreciation	(54,146,105)	(58,254,835)	(39,740,175)	(5,429,389)	(12,106,929)	(978,342)
Total Fixed Assets, Net	80,647,114	77,234,847	68,502,215	2,345,515	5,780,189	606,928
Total Assets	\$ 140,086,831	\$ 133,158,398	\$ 72,180,566	\$ 31,135,599	\$ 26,251,011	\$ 3,591,222

The accompanying notes are an integral part of the financial statements

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
 THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016

<u>LIABILITIES AND NET ASSETS</u>	2016 TOTAL	2017 TOTAL	RESTRICTED	AUXILIARY ACTIVITIES FUND		
			FUND SAVE MART CENTER	COMMERCIAL OPERATIONS	UNIVERSITY COURTYARD	STUDENT UNION/REC CENTER
Liabilities:						
Current Liabilities:						
Accounts Payable & Other Accrued Liabilities	\$ 3,820,708	\$ 3,341,871	\$ 136,811	\$ 2,124,404	\$ 565,731	\$ 514,925
Notes Payable	390,000	410,000			410,000	
Deferred Revenue	8,132,649	7,691,045	354,927	27,262	7,307,356	1,500
Interest Payable	33,873	30,990			30,990	
Capital Lease Obligations	6,147,937	6,175,663	6,175,663			
Agency Funds	94,117	122,175	27,110		94,424	641
Total Current Liabilities	18,619,284	17,771,744	6,694,511	2,151,666	8,408,501	517,066
Long-Term Liabilities:						
Other Post Employment Benefit Obligation (Note 10)	539,364	4,156,180		3,398,516	112,395	645,269
Notes Payable, net of Debt Issuance Costs (Note 5)	4,086,520	3,664,638			3,664,638	
Capital Lease Obligations, net of Debt Issuance Costs (Note 6)	53,050,429	51,144,377	51,144,377			
Total Long-Term Liabilities	57,676,313	58,965,195	51,144,377	3,398,516	3,777,033	645,269
TOTAL LIABILITIES	76,295,597	76,736,939	57,838,888	5,550,182	12,185,534	1,162,335
NET ASSETS:						
Unrestricted	43,218,022	42,079,781		25,585,417	14,065,477	2,428,887
Temporarily Restricted (Note 14)	20,573,212	14,341,678	14,341,678			
Total Net Assets	63,791,234	56,421,459	14,341,678	25,585,417	14,065,477	2,428,887
TOTAL LIABILITIES AND NET ASSETS	\$ 140,086,831	\$ 133,158,398	\$ 72,180,566	\$ 31,135,599	\$ 26,251,011	\$ 3,591,222

The accompanying notes are an integral part of the financial statements

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
 THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
 STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016

			RESTRICTED FUND		COMMERCIAL OPERATIONS				STUDENT FEE OPERATIONS			
	2016 TOTAL	2017 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	BOOKSTORE	FOOD SERVICES	ADMIN	TOTAL	UNIVERSITY COURTYARD	REC CENTER	STUDENT UNION	TOTAL
Revenue:												
Gross Sales	\$ 32,932,042	\$29,036,466	\$ (1,533,919)	\$ 881,250	\$ 9,575,087	\$ 8,209,028	2,265,373	\$ 20,049,488	\$ 5,063,042	\$ 1,539,682	\$ 3,036,923	\$ 4,576,605
Contributions	1,973,328	2,083,539		1,973,539				100,000	10,000			10,000
Other Income	1,569,844	2,108,705		782,504	116,087	158,411	973,567	1,248,065	51,578	6,647	19,911	26,558
Total Revenues	36,475,214	33,228,710	(1,533,919)	3,637,293	9,691,174	8,367,439	3,238,940	21,297,553	5,214,620	1,556,329	3,056,834	4,613,163
Expenses and Losses:												
Cost of Goods Sold	12,471,700	9,730,275			6,893,345	2,836,930		9,730,275				
Salaries/Wages	6,490,078	6,770,818			1,067,516	2,162,220	1,112,862	4,342,598	739,082	547,863	1,141,275	1,689,138
Employee Benefits	2,717,929	4,927,490			1,521,180	542,943	1,470,165	3,534,288	274,877	224,107	894,218	1,118,325
Administration-Food Services	441,818	1,719,909	(289,730)			2,009,639		2,009,639				
Advances to SMG	1,344,132	1,019,777		1,019,777								
Advertising/Printing	83,073	84,478		-	4,900	31,665		36,565	40,859	1,949	5,105	7,054
Athletic Corporation Entitlements	265,855	265,855		265,855								
Audit/Legal Expense	101,390	70,769		34,376			36,393	36,393	-	-	-	-
Bad Debt Expense	37,037	127,618		-	4,603	49,116		53,719	73,874	25	-	25
Bank Charges	12,815	16,213				15,917	296	16,213				
Bond Expenses	51,206	53,876		11,394					42,482			
Capital Lease Expense	2,368,044	1,980,478		1,980,478								
Chancellor's Office Fee	13,341	15,841					15,841	15,841				
Computer Supplies/Expense	95,129	106,761			9,826	7,133	16,627	33,586	37,335	16,702	19,138	35,840
Consulting	36,706	5,010		-	-	-	5,010	5,010			-	-
Contract Services	1,012,446	1,057,919				102,800		102,800	882,753	72,366		72,366
Credit Card Fees	386,770	325,659		4,585	113,255	135,179		248,434	61,311	2,354	8,975	11,329
Depreciation/Amortization	4,367,095	4,433,777		2,849,622	24,933	295,595	153,541	474,069	831,917	32,435	245,734	278,169
Dues/Memberships/Subscriptions	36,053	28,744			13,636	(318)	6,319	19,637	442	55	8,610	8,665
Employee Recruitment	7,660	5,288				1,004	666	1,670	2,189	-	1,429	1,429
Equipment Purchased	45,940	31,803								15,769	16,034	31,803
Housing Incentives	15,331	24,343							24,343			
Insurance	413,870	403,662		246,048	21,585		12,504	34,089	101,178	7,431	14,916	22,347
Interest Expense	156,996	137,341							137,341			
Janitorial/Sanitation	104,739	147,132				96,492		96,492	23,466	27,174		27,174
Laundry	83,666	82,366				52,012		52,012	30,131	223		223
Licenses/Permits/Fees	144,846	165,639		198	9,066	15,414	139,688	164,168	1,250		23	23
Loss on Refunding of Bonds	374,231	-		-								
Management Services Fee	-	-	(944,189)		289,730			289,730	289,729	75,000	289,730	364,730
Miscellaneous	70,089	91,754		10,245	1,703	20,889	8,920	31,512	27,280	19,779	2,938	22,717
Non-Student Tax	14,724	15,011				15,011		15,011				
Obsolete Merchandise	22,904	44,788				44,788		44,788				
Office Supplies	124,456	119,388			29,041	11,117	29,719	69,877	30,474	2,003	17,034	19,037
Paper Supplies	275,093	252,388				182,498		182,498	38,346		31,544	31,544
Possessory Interest Tax	150,195	118,400		118,400								
Postage/Freight	32,932	26,374			5,705	7	12,129	17,841	8,431		102	102
Rent/Rental	134,016	103,893			13,102	49,099	29,549	91,750	6,084	6,059	-	6,059
Repairs/Maintenance	713,570	618,332		1,130	36,621	149,802	43,874	230,297	169,842	18,910	198,153	217,063
Resident Advisor Meals	169,347	172,013				101,435		101,435	70,578			
Royalties	125,808	133,159				133,159		133,159				
Save Mart Seat Licenses	-	-	(300,000)								300,000	300,000
Security Services	38,697	38,788				-	38,788	38,788				
Smallwares	110,949	99,930		1,127		42,539		42,539	56,264			
Student Programs	190,148	165,500								10,980	154,520	165,500
Telephone/Communications	36,869	36,048			8,057	5,070	6,235	19,362	10,119	1,048	5,519	6,567
Travel/Training	54,179	64,653			5,419	5,607	17,383	28,409	22,814	1,801	11,629	13,430

The accompanying notes are an integral part of the financial statements

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
 THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
 STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016

			RESTRICTED FUND		COMMERCIAL OPERATIONS				STUDENT FEE OPERATIONS			
	2016 TOTAL	2017 TOTAL	INTRAFUND ELIMINATIONS	SAVE MART CENTER	BOOKSTORE	FOOD SERVICES	ADMIN	TOTAL	UNIVERSITY COURTYARD	REC CENTER	STUDENT UNION	TOTAL
University Donations	105,915	96,382		4,136	1,853	25,671	63,174	90,698	1,548			
USU Co-Sponsorships	3,920	1,952									1,952	1,952
Utilities	1,381,753	1,325,446			37,526	209,007	19,257	265,790	519,787	431,660	108,209	539,869
Warehouse Expense	15,023	13,989				13,989		13,989				
Wilkinson Group Fee	180,000	180,000		180,000								
Total Expenses and Losses	37,630,483	37,457,029	(1,533,919)	6,727,371	10,157,390	9,318,641	3,238,940	22,714,971	4,556,126	1,515,693	3,476,787	4,992,480
Excess (Deficit) of Revenues Over Expenses and Losses	(1,155,269)	(4,228,319)	0	(3,090,078)	(466,216)	(951,202)	0	(1,417,418)	658,494	40,636	(419,953)	(379,317)
Transfers (Out) In	-	-	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	(1,155,269)	(4,228,319)	0	(3,090,078)	(466,216)	(951,202)	0	(1,417,418)	658,494	40,636	(419,953)	(379,317)
Possessory Tax Judgement												
Possessory Tax Judgement 2017	-	(3,141,456)		(3,141,456)								
Total Possessory Tax Judgement	-	(3,141,456)		(3,141,456)								
Increase (Decrease) in Net Assets After Possessory Tax Judgement	\$ (1,155,269)	\$ (7,369,775)	\$ -	\$ (6,231,534)	\$ (466,216)	\$ (951,202)	\$ -	\$ (1,417,418)	\$ 658,494	\$ 40,636	\$ (419,953)	\$ (379,317)
Net Assets at Beginning of Year, Unrestricted	\$39,862,664	\$43,218,022						\$27,002,835	\$13,406,983			\$2,808,204
Increase (Decrease) in Net Assets, Unrestricted	3,355,358	(1,138,241)						(1,417,418)	658,494			(379,317)
Net Assets at End of Year, Unrestricted	\$43,218,022	\$42,079,781						\$25,585,417	\$14,065,477			\$2,428,887
Net Assets at Beginning of Year, Temporarily Restricted	\$25,083,839	\$20,573,212		\$20,573,212								
Increase/(Decrease) in Net Assets	(4,510,627)	(6,231,534)		(6,231,534)								
Net Assets at End of Year, Temporarily Restricted	\$20,573,212	\$14,341,678		\$14,341,678								
Total Net Assets at Beginning of Year	\$64,946,503	\$63,791,234	-	\$20,573,212				\$27,002,835	\$13,406,983			\$2,808,204
Total Increase/(Decrease) in Net Assets	(1,155,269)	(7,369,775)	-	(6,231,534)				(1,417,418)	658,494			(379,317)
Total Net Assets at End of Year	\$63,791,234	\$56,421,459	-	\$14,341,678				\$25,585,417	\$14,065,477			\$2,428,887

The accompanying notes are an integral part of the financial statements

**CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
THE CALIFORNIA STATE UNIVERSITY AUXILIARY ORGANIZATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016**

	TOTAL	
	2016	2017
Cash Flows From Operating Activities		
Increase/(Decrease) in Net Assets	\$ (1,155,269)	\$ (7,369,775)
Adjustment to Reconcile Increase/(Decrease) in Net Assets to Net Cash Provided by Operating Activities		
Realized and Unrealized (Gain) Loss on Investments	76,981	(668,883)
Provision for Doubtful Accounts	(5,000)	38,930
Depreciation	4,367,095	4,433,777
Amortization	146,348	(84,253)
Changes in:		
Accounts Receivable	163,635	1,056,129
Pledges Receivable-Save Mart Center	2,044,659	1,981,981
Inventories	(945,557)	957,075
Prepaid Expenses and Deferred Charges	101,309	(1,067)
Other Assets - Deposits	0	3,141,456
Accounts Payable and Other Accrued Liabilities	279,710	3,137,978
Deferred Revenue	(648,386)	(441,604)
Interest Payable on Bonds	(3,092)	(2,883)
Interest Payable on Capital Lease Obligations	54,437	497,726
Agency Funds	(23,034)	28,058
Net Cash Provided by (Used in) Operating Activities	4,453,836	6,704,645
 Cash Flows From Investing Activities		
Purchase of Investments	0	(6,000,000)
Investment Income Reinvested	0	(141,109)
Acquisition of Fixed Assets	(2,215,755)	(1,035,190)
Net Cash Provided by (Used in) Investing Activities	(2,215,755)	(7,176,299)
 Cash Flows from Financing Activities		
Proceeds of Borrowings for Capital Purposes	57,500,075	0
Principal Payments on Notes	(375,000)	(390,000)
Principal Payments on Capital Lease Obligations	(60,840,000)	(2,290,000)
Net Cash Provided by (Used in) Financing Activities	(3,714,925)	(2,680,000)
 Net Increase (Decrease) in Cash	(1,476,844)	(3,151,654)
 Cash and Cash Equivalents, Beginning of Year	24,377,674	22,900,830
 Cash and Cash Equivalents, End of Year	\$22,900,830	\$19,749,176
 Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 2,584,157	\$ 1,774,786

The accompanying notes are an integral part of the financial statements

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016 and 2017

Note 1 - General Information

The California State University, Fresno Association, Inc. administers and manages the commercial activities for California State University, Fresno including the Save Mart Center, Kennel Bookstore, University Food Services, Housing, Recreation Center and the University Student Union. The Association also provides accounting and managerial services to other university auxiliary corporations. The Association is supported primarily by sales from commercial activities and contributions.

Note 2 - Summary of Significant Accounting Policies

The California State University, Fresno Association, Inc. (the "Association") was incorporated on June 12, 1961 as a non-profit corporation. The Association was formed and is operated exclusively to receive, hold, invest and administer property and to make expenditures to and for the benefit of California State University, Fresno (the "University").

The Association maintains its accounting records and prepares its financial statements on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when goods or services are received.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

The accounts of the Association are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Fund balances are classified on the Statements of Financial Position as unrestricted or temporarily restricted based on the absence or existence and type of donor-imposed restrictions.

Donor Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction expires, temporarily restricted net assets are considered released from restrictions, however the expenses are reflected in the restricted fund column due to fund accounting.

Pledges Receivable-Save Mart Center

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Management is of the opinion there is no need to have an allowance for uncollectible pledges given demand for suites and seats. In most cases, refunds for previously purchased seat licenses are not given unless there is an alternative buyer for those seats. Currently, there is an extensive waiting list for suites and all suite holders are required to pay their suite lease in advance. If necessary, tickets and other entitlements are withheld if payment is due.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Note 2 – Summary of Significant Accounting Policies, continued

Deferred Revenue

Income from the University and housing rent, board and summer conferences are deferred and recognized over the periods to which the University and housing activities relate.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Net Assets

Unrestricted Net Assets: This category is maintained to account for the revenues and expenses of ongoing revenue-producing activities.

Temporarily Restricted Net Assets: This category is maintained to account for the operation of the Save Mart Center.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Allowances for doubtful accounts in the amounts of \$71,375 and \$110,305 have been established as of June 30, 2016 and 2017, respectively.

Inventories

The Association's inventory consists of goods held for resale in the Kennel Bookstore and by Food Services. Kennel Bookstore inventory is based on cost of goods sold historical data. Food Service inventory is valued at the lower of cost or market determined by the first-in, first-out (FIFO) method.

Investments

Investments in securities are carried at market value and realized and unrealized gains or losses are included in "Other Income" in the Statement of Activities.

Franchise Fees

In connection with the food services provided on campus, the Association has paid franchise fees to Subway and Starbucks for the privilege of operating the quick service restaurants. The franchise fees are reported, net of amortization expense, in the fixed asset section of the Statements of Financial Position. These fees are amortized over the franchise period using the straight-line method.

Fixed Assets

Fixed Assets are reflected on the financial statements at cost less accumulated depreciation. Depreciation is computed using straight line rates based upon estimated useful lives, ranging from three to 55 years. The Association capitalizes all expenditures in excess of \$5,000.

Fair Value of Financial Instruments

GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Association's significant financial instruments are cash, accounts receivable, investments, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Defined Benefit Pension Plan

As described in Note 9, the Association participates in a multi-employer public employee retirement system. The system provides disclosure information in accordance with the Governmental Accounting Standards Board (GASB). The latest information available from CalPERS is actuarial valuation as of June 30, 2015.

Tax Status

The Association is organized and operated exclusively for educational purposes and is thus allowed tax exempt status under provisions of section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code. The Association does, however, pay income taxes on any unrelated business income.

Note 2 – Summary of Significant Accounting Policies, continued

Advertising Costs

Advertising costs are expensed as incurred and totaled \$83,073 and \$84,478 in 2016 and 2017, respectively.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in Note 15 – Expenses by Natural Classification. Accordingly, certain costs have been allocated among programs and supporting services.

Reclassifications

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-03, the financing for the Student Housing Project in 2011 (Note Payable) and financing for the Save Mart Center in 2015 (Capital Lease Obligation) are shown net of the unamortized debt issuance costs. This change applies retrospectively to all periods presented and as a result, the financial statement for the fiscal year ended June 30, 2016 has been restated to reflect this change. Debt issuance costs previously reported as deferred charges are now reported net of long-term liabilities on the Statements of Financial Position. This change had no effect on total net assets at June 30, 2016 or 2017, or on total change in net assets for the years then ended.

Note 3 – Cash and Cash Equivalents

Cash at June 30 consisted of the following:	<u>2016</u>	<u>2017</u>
Deposits:		
Cash on hand and in banks	\$ 14,050,231	\$10,836,704
Pooled Funds:		
Cash in State of California Local		
Agency Investment Fund	<u>8,850,599</u>	<u>8,912,472</u>
Total	<u>\$22,900,830</u>	<u>\$19,749,176</u>

The Association maintains some cash in the State of California Local Agency Investment Fund (LAIF). The state pools these funds with those of other organizations and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is remitted quarterly to the Association. Any investment losses are proportionately shared by all participants in the pool. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that the goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by investment staff and reviewed by both the PMIB and the LAIF on an annual basis. All investment and LAIF claims are audited on a daily basis by the State Controller's Office as well as an in-house audit process involving three separate divisions.

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."

The Association maintains cash balances at one financial institution located in Fresno, California. At June 30, 2017, the FDIC insures cash balances held in interest and noninterest bearing accounts combined up to \$250,000. At June 30, 2016 and 2017, the Association's uninsured cash balances totaled \$13,896,626 and \$10,571,170, respectively.

Note 4 – Pledges Receivable-Save Mart Center

Included in "Pledges Receivable" are the following unconditional promises to give:

	<u>2016</u>	<u>2017</u>
Unconditional Promises to Give Before Unamortized Discount	\$22,605,268	\$19,567,793
Less: Unamortized Discount	<u>(5,700,833)</u>	<u>(4,645,339)</u>
Net Unconditional Promises to Give	<u>\$16,904,435</u>	<u>\$14,922,454</u>
Amounts Due in:		
One Year	\$3,649,241	\$2,951,250
Two to Five Years	7,989,431	8,049,348
More Than Five Years	<u>5,265,763</u>	<u>3,921,856</u>
Total	<u>\$16,904,435</u>	<u>\$14,922,454</u>

The discount rate used to calculate the present value of promises to give is 7% for 2016 and 2017.

Note 5 – Notes Payable

In September 2011, the Association participated in the CSU Systemwide Revenue Bonds (SRB) Series 2011A program to refinance the Student Housing Refunding Revenue Bonds, Series 2001. The effect of the refinancing was to incur a new note payable obligation payable to the Trustees of the California State University. Interest at 4.69% is payable semi-annually, with principal payments beginning in November 2012. The maturity schedule and interest rates of the outstanding note payable are as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon</u>
November 1, 2017	\$410,000	4.000%
November 1, 2018	430,000	4.000%
November 1, 2019	450,000	4.000%
November 1, 2020	470,000	4.000%
November 1, 2021	495,000	4.000%
November 1, 2022 to November 1, 2024	<u>1,635,000</u>	5.000%
	<u>\$3,890,000</u>	

The California State University, Fresno Association, Inc. is obligated to pay principal and interest as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$410,000	\$176,237	\$586,237
2019	430,000	157,788	587,788
2020	450,000	138,337	588,337
2021	470,000	116,238	586,238
2022	495,000	93,162	588,162
Thereafter	<u>1,635,000</u>	<u>124,994</u>	<u>1,759,994</u>
	3,890,000	806,756	4,696,756
Unamortized Premium	591,925	0	591,925
Unamortized Debt Issuance Costs	<u>(407,287)</u>	<u>0</u>	<u>(407,287)</u>
	<u>\$4,074,638</u>	<u>\$806,756</u>	<u>\$4,881,394</u>

Note 6 – Capital Lease Obligations

In August 2015, the Association participated in the CSU Systemwide Revenue Bonds (SRB) program to refinance the 2005 Save Mart Center bonds. The effect of the refinancing was to incur a new capital lease obligation payable to the University. Interest at 4.4% is payable semi-annually, with principal payments beginning in November 2015. The Association has amortized the net premium, underwriter's discount, and cost of issuance over the life of the SRB bonds, the unamortized portions are reported net of the long-term liability on the Statements of Financial Position.

Capital Lease Obligation-Save Mart Center

Year Ending June 30,	Principal	Interest	Total
2018	\$3,745,000	\$4,114,000	\$7,859,000
2019	1,855,000	1,950,550	3,805,550
2020	1,965,000	1,864,675	3,829,675
2021	1,990,000	1,793,125	3,783,125
2022	2,295,000	1,711,350	4,006,350
2023	4,640,000	1,552,225	6,192,225
2024	4,900,000	1,332,787	6,232,787
Thereafter	<u>27,400,000</u>	<u>4,949,203</u>	<u>32,349,203</u>
	48,790,000	19,267,915	68,057,915
Unamortized Premium	6,264,592	0	6,264,592
Unamortized Debt Issuance Costs	<u>(165,215)</u>	<u>0</u>	<u>(165,215)</u>
	<u>\$54,889,377</u>	<u>\$19,267,915</u>	<u>\$74,157,292</u>

Note 7 – Investments

Long-Term investments at June 30, 2016 consist of the following:

Long-term investments	Total
Long-term investments at beginning of year	3,762,494
Additions	0
Amounts withdrawn	(38,954)
Return on investments (net of investment fees of \$8,659):	
Dividends and interest	86,767
Net unrealized and realized gains (losses)	<u>(124,794)</u>
Total return on investments	<u>(38,027)</u>
Long-term investments at end of year	<u>\$ 3,685,513</u>

Long-Term investments at June 30, 2017 consist of the following:

Long-term investments	Total
Long-term investments at beginning of year	3,685,513
Additions	6,000,000
Amounts withdrawn	(36,983)
Return on investments (net of investment fees of \$25,170):	
Dividends and interest	243,848
Net unrealized and realized gains (losses)	<u>603,127</u>
Total return on investments	<u>846,975</u>
Long-term investments at end of year	<u>\$ 10,495,505</u>

Long-Term investments at fair value at June 30, 2016 and 2017 consist of the following:

Long-term investments	2016	2017
Corporate Bonds	-	1,537,829
Common fund	2,171,173	2,558,160
Mutual funds	1,514,340	3,943,742
Money Market funds	-	19,271
U.S. agency securities	-	399,184
U.S. treasury securities	-	398,160
Equity securities	-	850,301
Exchange traded funds (EFTs)	-	639,005
Other major investments:		
Sovereign/Supranational	-	149,853
Total long-term investments, at market	<u>\$ 3,685,513</u>	<u>\$ 10,495,505</u>

Note 8 – Fair Value Measurements

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant observable input (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounts cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The tables below presents the balance of assets measured at fair value on a recurring basis at June 30:

2016	Fair Value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 22,900,830	\$ 22,900,830	\$ 0	\$ 0
Pledges Receivable – SMC	16,904,435	0	0	16,904,435
Long-term investments:				
Multi strategy equity fund	2,171,173	0	2,171,173	0
Mutual funds	1,514,340	1,514,340	0	0
Total long-term investments	3,685,513	1,514,340	2,171,173	0
Total	<u>\$ 43,490,778</u>	<u>\$ 24,415,170</u>	<u>\$ 2,171,173</u>	<u>\$ 16,904,435</u>

2017				
Cash and Cash Equivalents	\$ 19,749,176	\$ 19,749,176	\$ 0	\$ 0
Pledges Receivable – SMC	14,922,454	0	0	14,922,454
Long-term investments:				
Corporate Bonds	1,537,829	1,537,829	0	0
Multi strategy equity fund	2,558,160	0	2,558,160	0
Mutual funds	3,943,742	3,943,742	0	0
Money Market funds	19,271	19,271	0	0
U.S. agency securities	399,184	0	399,184	0
U.S. treasury securities	398,160	398,160	0	0
Equity securities	850,301	850,301	0	0
Exchange traded funds (EFTs)	639,005	639,005	0	0
Other major investments:				
Sovereign/Supranational	149,853	0	149,853	0
Total long-term investments	10,495,505	7,388,308	3,107,197	0
Total	<u>\$ 45,167,135</u>	<u>\$ 27,137,484</u>	<u>\$ 3,107,197</u>	<u>\$ 14,922,454</u>

See Note 1 for valuation technique used to measure fair value for Investments and Pledges Receivable-Save Mart Center. There were no changes in valuation techniques during the current year.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Pledges Receivable – Save Mart Center:	2016	2017
Balance, July 1,	\$18,949,094	\$16,904,435
New Pledges	477,100	829,360
Pledge payments received	(3,725,876)	(3,825,835)
Write-off	(41,750)	(41,000)
Change in present value discount	1,245,867	1,055,494
Balance, June 30,	<u>\$16,904,435</u>	<u>\$14,922,454</u>

Note 9 – California Public Employees' Retirement System

Plan Description:

The California State University, Fresno Association, Inc. (Federal Tax ID# 94-1512286), is a participating employer in two separate multi-employer defined benefit pension plans. The plans generally provide retirement to employees based on years of service to the Association, and also provide disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan of the California State University- Fresno Association, Inc. and PEPR Miscellaneous Plan of the California State University-Fresno Association, Inc. (CalPERS ID: 3956399313) are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The California State University, Fresno Association, Inc. selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

Funding Policy:

Under the Public Employees' Pension Reform Act of 2013, employees (who are brought into CalPERS membership for the first time on or after January 1, 2013) are required to contribute at least 50% of the annual required contributions under a defined benefit formula of 2% Miscellaneous at age 62. The current employee and employer contribution rate is 6.25%. For employees hired prior to January 1 2013 under the defined benefit formula of 2% Miscellaneous at age 55, plan members are required to contribute 7.0% of their annual covered salary and the Association currently pays the employee portion of the required contribution (the 7%) for employees with 5 or more years of service with the Association. California State University, Fresno Association, Inc. is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2016/2017 was 17.193% for the Miscellaneous Plan and 6.555% for the PEPR Miscellaneous Plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Employers participating in multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Association chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan.

Annual Pension Cost:

For fiscal year 2016/2017, California State University, Fresno Association, Inc.'s annual pension cost of \$643,586 was equal to the Association's required and actual contributions. The total pension cost for both employee and employer contributions was \$887,443. The required contribution for fiscal year 2016/2017 was determined as part of the June 30, 2014 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.20% to 12.20% for miscellaneous members and (c) 3.0% cost-of-living adjustment. Both (a) and (b) include an inflation component of 2.75%. The actuarial value of California State University, Fresno Association, Inc.'s assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. Miscellaneous Plan of the California State University, Fresno Association, Inc.'s unfunded actuarial excess assets are being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2013 was 30 years. Based upon the most recent valuation published for the period ending June 30, 2014, the Association did not contribute more than 5% of total contributions to the plan.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/15	\$491,750	100%	\$0
6/30/16	\$593,616	100%	\$0
6/30/17	\$643,586	100%	\$0

Note 9 – California Public Employees’ Retirement System, continued

The Association is included in a pooled plan as required by California law. The Association has less than 100 active employees, therefore, the Association’s portion of the pooled information is less than 1%. Beginning in fiscal year 2013, funding history for the miscellaneous risk pools are combined to include the PEPRA and other MISC risk pools.

Valuation Date	Pooled Accrued Liabilities	Pooled Actuarial Value of Assets	Pooled Unfunded Accrued Liabilities (UAL)	Funded Ratio	Pooled Annual Covered Payroll	UAL as a % of Payroll
6/30/13	11,805,627,557	9,093,458,815	2,712,168,742	77.0%	1,909,639,449	142.0%
6/30/14	13,137,020,035	10,686,754,939	2,450,265,096	81.3%	1,982,241,289	123.6%
6/30/15	13,889,938,645	10,919,134,771	2,970,803,874	78.6%	2,055,683,261	144.5%

Note 10 – Other Post Employment Benefit Obligation

The Association sponsors a defined benefit post-retirement plan that provides medical benefits to retirees. The plan is contributory, with retiree contributions adjusted annually. The plan covers each employee and spouse. Employees, other than new hires after January 16, 2003, are eligible to receive full benefits at the age of 50 with 5 years of service. Employees hired after January 16, 2003 are eligible to receive benefits after 10 years of service with a vesting schedule that begins with 50% coverage after 10 years of service and increases by 5% per year. After 20 years of service, the employee is eligible for 100% of benefits.

Government Code Section 22825.6 provides that a local agency contracting under the Meyers-Geddes State Employers’ Medical and Hospital Care Act shall fix the amount of the employer’s contribution at an amount not less than the amount required under Section 22825 of the Act, and the Association is a local agency contracting under the Act. The Board of Directors shall take action to adjust the basis of the employer’s contribution for each employee or annuitant.

The Association changed its method of accounting for post-retirement benefits other than pensions, from the pay-as-you-go method to the accrual method, as required by ASC 810, on July 1, 1995.

Following is the information on the plan as of and for the year ended June 30, 2017, in accordance with ASC 715 “Employers’ Accounting for Defined Benefit Pension and Other Post-Retirement Plans”:

	<u>Net Periodic Post-Retirement Benefit Cost</u>	<u>Post-Retirement Benefit Liability</u>
July 1, 2016		\$1,069,364
Recognition of components of net periodic post-retirement benefit cost:		
Service cost (benefit)	\$267,093	267,093
Interest cost	132,552	132,552
Actuarial (gain) or loss	<u>327,902</u>	327,902
Total	<u>\$727,547</u>	
Benefit payments		(493,396)
Change in accounting estimate		<u>3,377,665</u>
Net Change		<u>3,611,816</u>
June 30, 2017		<u>\$4,681,180</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 10 – Other Post Employment Benefit Obligation, continued

The post-retirement obligation is included in accounts payable and other liabilities as follows:

	<u>2016</u>	<u>2017</u>
Current portion	\$ 530,000	\$ 525,000
Long-term portion	<u>539,364</u>	<u>4,156,180</u>
	<u>\$1,069,364</u>	<u>\$4,681,180</u>

The funded status of the plan is the following:

Accrued post-retirement benefit obligation	\$1,069,364	\$4,681,180
Plan assets	<u>0</u>	<u>0</u>
Unfunded plan obligation	<u>\$1,069,364</u>	<u>\$4,681,180</u>

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following weighted-average assumptions were used in accounting for the post-retirement benefit obligation at June 30, 2017:

Discount rate	6%
Rate of insurance premium increase	7%

The 6% discount rate is consistent with expected rates of return for funds reported elsewhere in the financial statements.

Benefits paid under the plan in 2016 and 2017 were \$511,421 and \$493,396, respectively. Benefits expected to be paid for future years are as follows:

Year Ended June 30:	
2018	\$ 525,000
2019	550,000
2020	577,000
2021	607,000
2022	<u>640,000</u>
Total	<u>\$2,899,000</u>

Note 11 – Leases

The Association has entered into several facility leases for which minimal consideration is required by the lessor as follows:

- Use of the Kennel Bookstore, between the Trustees of the CSU, expiring June 30, 2020.
- Use of the University Center, between the Trustees of the CSU, expiring June 30, 2020.
- Use of the University Student Union, between the Trustees of the CSU, expiring June 30, 2018.
- Use of the Residence Dining Facility, between the Trustees of the CSU, expiring June 30, 2018.
- Use of the Warehouse, between the Trustees of the CSU, expiring June 30, 2019.
- Use of southeast corner of second floor of Henry Madden Library (Starbucks store), between the Trustees of the CSU, expiring June 30, 2018.
- Ground lease for University Courtyard, between the Trustees of the CSU, expiring February 1, 2020.
- Ground lease for Save Mart Center with the Trustees of the CSU, expiring December 13, 2033.
- Use of West Complex/SRC, between the Trustees of the CSU, expiring June 30, 2021.
- Ground lease for Campus Pointe with the Trustees of the CSU, expiring June 28, 2096.
- Use of the east side of the North Gym for the Paws-N-Go Market, expiring June 30, 2018.
- Use of space at the Kremen Education Building and the Peters Business Building for the Paws-N-Go Market locations, expiring June 30, 2019.
- Lease of office space for 2763 E. Shaw Ave, Suite 101 at \$2,321 per month, expired March 31, 2017.

Note 11 – Leases, continued

The Association has entered into the following operating leases:

- Operating lease with TCM Investments for Kennel Bookstore copier at \$766 per month, expiring June 25, 2020.
- Operating lease with De Lage Landen for University Courtyard copier at \$736 per month, expiring August 23, 2019.
- Operating lease with De Lage Landen for Dining Services copier at \$373 per month, expiring August 23, 2019.
- Operating lease with De Lage Landen for Administration Division copier at \$643 per month, expiring October 29, 2017.
- Operating lease with De Lage Landen for Student Recreation Center copier at \$431 per month, expiring March 23, 2018.
- Operating lease with De Lage Landen for University Student Union at \$234 per month, expiring September 4, 2017.

Future minimum lease payments on the copiers are as follows:

Year Ended June 30:

2018	\$29,402
2019	22,486
2020	<u>11,403</u>
Total	<u>\$63,291</u>

Rent expense for 2015/16 and 2016/17 was \$69,586 and \$59,312, respectively.

Note 12 – Commitments and Contingencies

Save Mart Center

Effective July 2011, the Association amended its current contract with SMG to manage the Save Mart Center for a twelve-year term expiring June 30, 2023. The agreement provides for an initial annual fixed fee of \$516,875 inclusive of food and beverage services. Annual incentive fees are subject to negotiation after fiscal year 2013. The fixed fee is adjusted every three years for CPI increases.

Advances to SMG for the management fee/operating expenses and incentive fee for the year ended June 30, 2016 were \$1,343,209 and \$923, respectively. Advances to SMG for the management fee/operating expenses and incentive fee for the year ended June 30, 2017 were \$1,019,777 and \$0, respectively.

Litigation

The Association was the plaintiff in one legal action.

California State University, Fresno Association, Inc. v. County of Fresno, et al.; Fresno County Superior Court Case #12-CE-CG-03791: The Association had an unliquidated claim against the County of Fresno for a refund of excess possessory interest (property) taxes and penalties paid to the County for tax years 2003-2006, inclusive, relative to the Save Mart Center. In May 2015, the Superior Court held in favor of the Association and ordered that the matter be remanded back to the AAB for a redetermination of the proper amount to impose on the Association in possessory interest taxes and any applicable penalties. Subsequently, the County appealed the decision of the trial court. The fifth district court of appeals reversed the decision of the trial court and ruled in favor of the County in March 2017. The Association chose not to further appeal or contest the matter. As a result of the ruling, \$3,141,456 was recorded as possessory interest tax expense in the current fiscal year and is presented as Possessory Tax Judgement after normal operating revenue and expenses on the Statement of Activities.

Note 13 – Related Parties

In addition to the University, the Association is related to The Agricultural Foundation of California State University, Fresno (the "Agricultural Foundation"), and the California State University, Fresno Foundation (the "Foundation") due to common management of the three entities. The Association had the following transactions with these entities during the years ended June 30, 2016 and 2017:

Pursuant to a management services agreement, the Foundation, The Agricultural Foundation, Programs for Children, and the Associated Students pay administrative fees to the Association for management services. The Foundation's administrative fees for the years ended June 30, 2016 and June 30, 2017 were \$708,573 and \$716,435, respectively, allocated on the basis of gross revenue and services rendered. The Agricultural Foundation's administrative fees for the years ended June 30, 2016 and June 30, 2017 were \$150,200 and \$164,000, respectively, based on services rendered. The Programs for Children's administrative fees for the years ended June 30, 2016 and June 30, 2017 were \$68,206 and \$71,616, respectively, based on services rendered. The Associated Students administrative fees for the years ended June 30, 2016 and June 30, 2017 were \$57,687 and \$59,418, respectively, based on services rendered.

The Foundation also reimburses the Association twice a month for salaries and benefits of Foundation Financial Services staff in the amounts of \$928,768 and \$840,950 for the years ended June 30, 2016 and June 30, 2017, respectively.

The amounts due to the Association from the Foundation for miscellaneous expenses were \$406 and \$68,472 for the years ended June 30, 2016 and June 30, 2017, respectively. The amounts due to the Association from the Foundation for salaries and benefits were \$42,899 and \$40,612 for the years ended June 30, 2016 and June 30, 2017, respectively. The amounts due to the Foundation from the Association for miscellaneous expenses were \$0 and \$6,412 for the years ended June 30, 2016 and June 30, 2017, respectively. The amounts due to the Foundation from the Association for salaries and benefits were \$168,665 and \$284,549 for the years ended June 30, 2016 and June 30, 2017, respectively.

The amounts due to the Association from The Agricultural Foundation for miscellaneous expenses were \$757 and \$10 for the years ended June 30, 2016 and June 30, 2017, respectively. The amounts due to The Agricultural Foundation for miscellaneous expenses were \$505 and \$1,200 for the years ended June 30, 2016 and June 30, 2017, respectively.

The amounts receivable from the University were \$40,639 and \$54,854 for the years ended June 30, 2016 and June 30, 2017 respectively. The amounts payable to the University were \$449,638 and \$625,908 for the years ended June 30, 2016 and June 30, 2017, respectively.

The amounts due to the Association from the Associated Students for miscellaneous expenses were \$252 and \$0 for the years ended June 30, 2016 and June 30, 2017, respectively. The amount payable to Associated Students from the Association was \$2,600 and \$0 for the years ended June 30, 2016 and June 30, 2017, respectively.

The amounts due to the Association from Programs for Children for miscellaneous expenses were \$202 and \$0 for the years ended June 30, 2016 and June 30, 2017, respectively.

Note 14 – Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2016 and 2017 are available for the following:

	<u>2016</u>	<u>2017</u>
Save Mart Center	<u>\$20,573,212</u>	<u>\$14,341,678</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, 2017 are:

Save Mart Center	<u>\$ 8,205,073</u>
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Note 15 - Expenses by Natural Classification

For The Years Ended June 30:

Expenses	2016			2017		
	Program	General & Administrative	Total	Program	General & Administrative	Total
Cost of Goods Sold	\$12,471,700		\$12,471,700	\$9,730,275		\$9,730,275
Salaries/Wages	5,383,810	\$1,106,268	6,490,078	5,657,956	\$1,112,862	6,770,818
Employee Benefits	1,990,111	727,818	2,717,929	3,457,325	1,470,165	4,927,490
Administration-Food Services	441,818		441,818	1,719,909		1,719,909
Advances to SMG	1,344,132		1,344,132	1,019,777		1,019,777
Advertising/Printing	83,073		83,073	84,478		84,478
Athletic Corporation Entitlements	265,855		265,855	265,855		265,855
Audit/Legal Expense	65,987	35,403	101,390	34,376	36,393	70,769
Bad Debt Expense	37,037		37,037	127,618		127,618
Bank Charges	11,806	1,009	12,815	15,917	296	16,213
Bond Expenses	51,206		51,206	53,876		53,876
Capital Lease Expense	2,368,044		2,368,044	1,980,478		1,980,478
Chancellor's Office Fee	13,341		13,341	15,841		15,841
Computer Supplies/Expense	79,348	15,781	95,129	90,134	16,627	106,761
Consulting	31,043	5,663	36,706	0	5,010	5,010
Contract Services	1,012,446		1,012,446	1,057,919		1,057,919
Credit Card Fees	386,770		386,770	325,659		325,659
Depreciation/Amortization	4,214,092	153,003	4,367,095	4,280,236	153,541	4,433,777
Dues/Memberships/Subscriptions	29,507	6,546	36,053	22,425	6,319	28,744
Employee Recruitment	6,685	975	7,660	4,622	666	5,288
Equipment Purchased	45,940		45,940	31,803		31,803
Housing Incentives	15,331		15,331	24,343		24,343
Insurance	401,101	12,769	413,870	391,158	12,504	403,662
Interest Expense	156,996		156,996	137,341		137,341
Janitorial/Sanitation	104,739		104,739	147,132		147,132
Laundry	83,666		83,666	82,366		82,366
Licenses/Permits/Fees	30,541	114,305	144,846	25,951	139,688	165,639
Loss on Refunding of Bonds	374,231	0	374,231	0		0
Miscellaneous	64,064	6,025	70,089	82,834	8,920	91,754
Non-Student Tax	14,724		14,724	15,011		15,011
Obsolete Merchandise	22,904		22,904	44,788		44,788
Office Supplies	95,641	28,815	124,456	89,669	29,719	119,388
Paper Supplies	275,093		275,093	252,388		252,388
Possessory Interest Tax	150,195		150,195	118,400		118,400
Postage/Freight	17,228	15,704	32,932	14,245	12,129	26,374
Rent/Rental	95,580	38,436	134,016	74,344	29,549	103,893
Repairs/Maintenance	675,869	37,701	713,570	574,458	43,874	618,332
Resident Advisors Meals	169,347		169,347	172,013		172,013
Royalties	125,808		125,808	133,159		133,159
Security Services	0	38,697	38,697	0	38,788	38,788
Smallwares	110,949		110,949	99,930		99,930
Student Programs	190,148		190,148	165,500		165,500
Telephone/Communications	29,547	7,412	36,869	29,813	6,235	36,048
Travel/Training	41,873	12,306	54,179	47,270	17,383	64,653
University Donations	52,562	53,353	105,915	33,208	63,174	96,382
USU Co-Sponsorships	3,920		3,920	1,952		1,952
Utilities	1,362,753	19,000	1,381,753	1,306,189	19,257	1,325,446
Warehouse Expense	15,023		15,023	13,989		13,989
Wilkinson Group Fee	180,000		180,000	180,000		180,000
Totals	\$35,193,494	\$2,436,989	\$37,630,483	\$34,233,930	\$3,223,099	\$37,457,029

Note 16 – Subsequent Events

Subsequent events have been evaluated through September 8, 2017, which is the date the financial statements were available to be issued, noting no matters requiring disclosure in the financial statements for the year ended June 30, 2017.

Note 17 – Uncertain Tax Positions

The Association has qualified as a non-profit organization and has been granted tax-exempt status pursuant to the Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d) and is exempt from Federal and State of California income taxes.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Association's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

ADDITIONAL INFORMATION FOR
CALIFORNIA STATE UNIVERSITY, FRESNO

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.

Schedule of Net Position

June 30, 2017

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	\$ 4,341,704
Short-term investments	15,407,472
Accounts receivable, net	9,594,370
Pledges receivable, net	2,951,250
Prepaid expenses and other assets	1,162,046
	<hr/>
Total current assets	33,456,842

Noncurrent assets:

Pledges receivable, net	11,971,204
Other long-term investments	10,495,505
Capital assets, net	77,234,847
Other assets	-
	<hr/>
Total noncurrent assets	99,701,556
	<hr/>
Total assets	133,158,398

Deferred outflows of resources:

Unamortized loss on refunding	
Total deferred outflows of resources	<hr/> <hr/> -

Liabilities:

Current liabilities:

Accounts payable	2,098,726
Accrued salaries and benefits payable	368,051
Accrued compensated absences— current portion	25,000
Unearned revenue	7,691,045
Capitalized lease obligations – current portion	3,745,000
Long-term debt obligations – current portion	410,000
Depository accounts	
Other liabilities	2,461,653
	<hr/>
Total current liabilities	16,799,475

Noncurrent liabilities:

Accrued compensated absences, net of current portion	325,094
Capitalized lease obligations, net of current portion	51,144,377
Long-term debt obligations, net of current portion	3,664,638
Depository accounts	122,175
Other postemployment benefits obligation	4,681,180
	<hr/>
Total noncurrent liabilities	59,937,464
	<hr/>
Total liabilities	76,736,939

Deferred inflows of resources:

Unamortized gain on debt refunding	-
Net pension obligation	-
Total deferred inflows of resources	<hr/> <hr/> -

Net position:

Net investment in capital assets	18,270,832
Restricted for:	
Expendable:	
Debt service	-
Unrestricted	38,150,627
	<hr/>
Total net position	\$ 56,421,459

See accompanying independent auditor's report.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2017

(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$0)	\$ 3,651,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	25,385,466
Other operating revenues	<u>1,148,841</u>
Total operating revenues	<u>30,185,307</u>
Expenses:	
Operating expenses:	
Auxiliary enterprise expenses	32,885,911
Depreciation and amortization	<u>4,433,777</u>
Total operating expenses	<u>37,319,688</u>
Operating income (loss)	<u>(7,134,381)</u>
Nonoperating revenues (expenses):	
Gifts, noncapital	2,073,853
Investment income (loss), net	959,864
Interest expenses	(137,341)
Other nonoperating revenues (expenses)	<u>(3,141,456)</u>
Net nonoperating revenues (expenses)	<u>(245,080)</u>
Income (loss) before other additions	(7,379,461)
Grants and gifts, capital	<u>9,686</u>
Increase (decrease) in net position	(7,369,775)
Net position:	
Net position at beginning of year, as previously reported	63,791,234
Restatements	0
Net position at beginning of year, as restated	<u>63,791,234</u>
Net position at end of year	<u>\$ 56,421,459</u>

See accompanying independent auditor's report.

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
Other Information
June 30, 2017
(for inclusion in the California State University)

1 Restricted Cash and Cash Equivalents at June 30, 2017:

Portion of restricted cash and cash equivalents related to endowments	\$ —
All other restricted cash and cash equivalents	—
Total restricted cash and cash equivalents	\$ —

2.1 Composition of Investments at June 30, 2017:

	Current Unrestricted	Current Restricted	Total Current	Noncurrent Unrestricted	Noncurrent Restricted	Total Noncurrent	Total
State of California Local Agency Investment Fund (LAIF)	\$ 8,912,472	\$ —	\$ 8,912,472	\$ —	\$ —	\$ —	\$ 8,912,472
Corporate bonds	—	—	—	1,537,829	—	1,537,829	1,537,829
Mutual funds	—	—	—	3,943,742	—	3,943,742	3,943,742
Money Market funds	6,495,000	—	6,495,000	19,271	—	19,271	6,514,271
U.S. agency securities	—	—	—	399,184	—	399,184	399,184
U.S. treasury securities	—	—	—	398,160	—	398,160	398,160
Equity securities	—	—	—	3,408,461	—	3,408,461	3,408,461
Exchange traded funds (EFTs)	—	—	—	639,005	—	639,005	639,005
Other major investments:							
Sovereign/Supranational	—	—	—	149,853	—	149,853	149,853
Total investments	15,407,472	—	15,407,472	10,495,505	—	10,495,505	25,902,977
Less endowment investments (enter as negative number)	—	—	—	—	—	—	—
Total investments	\$ 15,407,472	\$ —	\$ 15,407,472	\$ 10,495,505	\$ —	\$ 10,495,505	\$ 25,902,977

2.1 Restricted Noncurrent Investments at June 30, 2017 related to:

Not Applicable

2.5 Fair Value Hierarchy in Investments at June 30, 2017:

	Fair Value Measurements Using				Net Asset Value (NAV)
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
State of California Local Agency Investment Fund (LAIF)	\$ 8,912,472	8,912,472	—	—	—
Corporate bonds	1,537,829	1,537,829	—	—	—
Mutual funds	3,943,742	3,943,742	—	—	—
Money Market funds	6,514,271	6,514,271	—	—	—
U.S. agency securities	399,184	—	399,184	—	—
U.S. treasury securities	398,160	398,160	—	—	—
Equity securities	3,408,461	850,301	2,558,160	—	—
Exchange traded funds (EFTs)	639,005	639,005	—	—	—
Other major investments:					
Sovereign/Supranational	149,853	—	149,853	—	—
Total investments	25,902,977	22,795,780	3,107,197	—	—

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
Other Information
June 30, 2017
(for inclusion in the California State University)

3.1 Composition of Capital Assets at June 30, 2017:

	Balance June 30, 2016	Prior period Adjustments	Reclassifications	Balance June 30, 2016 (restated)	Additions	Reductions	Transfers of Completed CWIP	Balance June 30, 2017
Nondepreciable capital assets:								
Construction work in progress (CWIP)	\$ —	—	—	—	360,031	—	—	360,031
Total nondepreciable capital assets	—	—	—	—	360,031	—	—	360,031
Depreciable/amortizable capital assets:								
Buildings and building improvements	115,256,663	—	13,680	115,270,343	77,367	(13,680)	—	115,334,030
Improvements, other than buildings	715,706	—	—	715,706	—	—	—	715,706
Personal property:								
Equipment	18,767,170	—	—	18,767,170	597,792	(338,727)	—	19,026,235
Intangible assets	40,000	—	—	40,000	—	—	—	40,000
Total depreciable capital assets	134,779,539	—	13,680	134,793,219	675,159	(352,407)	—	135,115,971
Total cost	134,779,539	—	13,680	134,793,219	1,035,190	(352,407)	—	135,476,002
Less accumulated depreciation:								
Buildings and building improvements	(41,437,327)	—	(13,680)	(41,451,007)	(3,145,465)	—	—	(44,596,472)
Improvements, other than buildings	(14,097)	—	—	(14,097)	(13,013)	—	—	(27,110)
Personal property:								
Equipment	(12,647,001)	—	—	(12,647,001)	(1,272,299)	338,727	—	(13,580,573)
Intangible assets:								
Franchise Fees	(34,000)	—	—	(34,000)	(3,000)	—	—	(37,000)
Unamortized buyout	—	—	—	—	—	—	—	—
Total accumulated depreciation/amortization	(54,132,425)	—	(13,680)	(54,146,105)	(4,433,777)	338,727	—	(58,241,155)
Total capital assets, net	\$ 80,647,114	\$ —	\$ —	\$ 80,647,114	\$ (3,398,587)	\$ (13,680)	\$ —	\$ 77,234,847

Detail of Depreciation and Amortization Expense for the Year Ended June 30, 2017:

Depreciation and amortization expense related to capital assets	\$ 4,433,777
Amortization expense related to other assets	—
Total depreciation and amortization	\$ 4,433,777

4 Long-term liabilities activity schedule:

	Balance June 30, 2016	Prior period adjustments	Reclassifications	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Current portion	Long-term portion
Accrued compensated absences	\$ 349,084	\$ —	\$ —	\$ 349,084	\$ 262,948	\$ (261,938)	\$ 350,094	\$ 25,000	\$ 325,094
Capitalized lease obligations:									
Gross balance	51,080,000	—	—	51,080,000	—	(2,290,000)	48,790,000	3,745,000	45,045,000
Unamortized premium / (discount) on capitalized lease obligations	6,362,039	—	—	6,362,039	—	(262,662)	6,099,377	—	6,099,377
Total capitalized lease obligations	57,442,039	—	—	57,442,039	—	(2,552,662)	54,889,377	3,745,000	51,144,377
Long-term debt obligations:									
Revenue bonds	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Note payable related to SRB	4,280,000	—	—	4,280,000	—	(390,000)	3,890,000	410,000	3,480,000
Total long-term debt obligations	4,280,000	—	—	4,280,000	—	(390,000)	3,890,000	410,000	3,480,000
Unamortized bond premium / (discount)	646,289	—	—	646,289	—	(461,651)	184,638	—	184,638
Total long-term debt obligations, net	4,926,289	—	—	4,926,289	—	(851,651)	4,074,638	410,000	3,664,638
Total long-term liabilities	\$ 62,717,412	\$ —	\$ —	\$ 62,717,412	\$ 262,948	\$ (3,666,251)	\$ 59,314,109	\$ 4,180,000	\$ 55,134,109

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
Other Information
June 30, 2017
(for inclusion in the California State University)

5 Future minimum lease payments:

	Capitalized lease obligations related to SRB			All other capitalized lease obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2018	\$ 3,745,000	\$ 4,114,000	\$ 7,859,000	—	—	—	\$ 3,745,000	\$ 4,114,000	\$ 7,859,000
2019	1,855,000	1,950,550	3,805,550	—	—	—	1,855,000	1,950,550	3,805,550
2020	1,965,000	1,864,675	3,829,675	—	—	—	1,965,000	1,864,675	3,829,675
2021	1,990,000	1,793,125	3,783,125	—	—	—	1,990,000	1,793,125	3,783,125
2022	2,295,000	1,711,350	4,006,350	—	—	—	2,295,000	1,711,350	4,006,350
2023 - 2027	20,695,000	5,674,850	26,369,850	—	—	—	20,695,000	5,674,850	26,369,850
2028 - 2032	16,245,000	2,159,365	18,404,365	—	—	—	16,245,000	2,159,365	18,404,365
Total minimum lease payments									68,057,915
Less amounts representing interest									(19,267,915)
Present value of future minimum lease payments									48,790,000
Unamortized net premium (discount)									6,099,377
Total capitalized lease obligations									54,889,377
Less: current portion									(3,745,000)
Capitalized lease obligation, net of current portion									\$ 51,144,377

6 Long-term debt obligation schedule

	Auxiliary revenue bonds			All other long-term debt obligations			Total		
	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest	Principal	Interest	Principal and Interest
Year ending June 30:									
2018	—	—	—	\$ 410,000	\$ 176,237	\$ 586,237	\$ 410,000	\$ 176,237	\$ 586,237
2019	—	—	—	430,000	157,788	587,788	430,000	157,788	587,788
2020	—	—	—	450,000	138,337	588,337	450,000	138,337	588,337
2021	—	—	—	470,000	116,238	586,238	470,000	116,238	586,238
2022	—	—	—	495,000	93,162	588,162	495,000	93,162	588,162
2023 - 2025	—	—	—	1,635,000	124,994	1,759,994	1,635,000	124,994	1,759,994
Total minimum payments									4,696,756
Less amounts representing interest									(806,756)
Present value of future minimum payments									3,890,000
Unamortized net premium (discount)									184,638
Total long-term debt obligations									4,074,638
Less: current portion									(410,000)
Long-term debt obligations, net of current portion									\$ 3,664,638

7 Calculation of net position

7.1 Calculation of net position -net investment in capital assets

	Auxiliary Organizations		Total
	GASB	FASB	Auxiliaries
Capital assets, net of accumulated depreciation	\$ —	\$ 77,234,847	\$ 77,234,847
Capitalized lease obligations - current portion	—	(3,745,000)	(3,745,000)
Capitalized lease obligations, net of current portion	—	(51,144,377)	(51,144,377)
Long-term debt obligations - current portion	—	(410,000)	(410,000)
Long-term debt obligations, net of current portion	—	(3,664,638)	(3,664,638)
Portion of outstanding debt that is unspent at year-end	—	—	—
Other:			
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
(description)	—	—	—
Net position - net investment in capital asset	\$ —	\$ 18,270,832	\$ 18,270,832

CALIFORNIA STATE UNIVERSITY, FRESNO ASSOCIATION, INC.
Other Information
June 30, 2017
 (for inclusion in the California State University)

8 Transactions with Related Entities

	Amount
Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs	\$ 163,827
Reimbursements to University for other than salaries of University personnel	1,022,887
Payments received from University for services, space, and programs	182,100
Gifts-in-kind to the University from discretely presented component units	96,382
Amounts (payable to) University (enter as negative number)	(625,908)
Amounts receivable from University	54,854

9 Other Postemployment Benefits Obligation (OPEB)

Annual required contribution (ARC)	\$ 727,547
Contributions during the year	<u>(493,396)</u>
Increase (decrease) in net OPEB obligation (NOO)	234,151
Other adjustments - change in accounting estimate	3,377,665
NOO - beginning of year	1,069,364
NOO - end of year	<u>\$ 4,681,180</u>

10 Pollution remediation liabilities under GASB Statement No. 49
 Not applicable