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Independent Auditors’ Report

The Board of Trustees
California State University:

We have audited the accompanying financial statements of the California State University (the University), an agency of the State of California (the State), and its aggregate discretely presented component units as of and for the year ended June 30, 2012, which collectively comprise the University’s financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the University’s management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 89 of the 92 aggregate discretely presented component units, which statements reflect total assets constituting 94% and total revenues constituting 98% of the aggregate discretely presented totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the 89 discretely presented component units, are based solely on the reports of the other auditors.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

As discussed in note 1 to the financial statements, the financial statements of the University are intended to present the financial position, and the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State that are attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the California State University and of its aggregate discretely presented component units as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with U.S. generally accepted accounting principles.
In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2012 on our consideration of the University’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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management’s discussion and analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 53 to 167 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion based upon our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

November 21, 2012
The following discussion and analysis provides an overview of the financial position and performance of the California State University as of and for the year ended June 30, 2012, including 23 campuses and the Chancellor’s Office (together referred to as the University), and 92 recognized auxiliary organizations. The discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes, which follow this section. Separate financial statements are issued for each of the recognized auxiliary organizations and may be obtained from the individual campuses.

The financial statements of the University for the year ended June 30, 2012 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, the University is considered a special-purpose government engaged in business-type activities.

**Financial Statements**

This discussion and analysis is intended to serve as an introduction to the University’s financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. The financial statements are designed to provide readers with a broad overview of the University’s finances from all sources of revenue, in a manner similar to the private sector. The University’s recognized auxiliary organizations are presented in a separate column to enable the reader to distinguish between the University and these separate but related not-for-profit organizations.

The Statement of Net Assets is the University’s balance sheet. It presents information on all of the University’s assets and liabilities, with the difference between the two reported as net assets (equity). Assets and liabilities are generally reported at their book value, except investments, which are reported at their fair market value. Over time, increases or decreases in net assets may serve as a useful indicator of the financial position of the University.

The University’s net assets are classified into three categories:

- Invested in capital assets, net of related debt
- Restricted
- Unrestricted

Changes from one year to the next in total net assets as presented on the Statement of Net Assets are based on the activity presented on the Statement of Revenues, Expenses, and Changes in Net Assets.

The Statement of Revenues, Expenses, and Changes in Net Assets is the University’s income statement. Revenues earned and expenses incurred during the year on an accrual basis are classified as either operating or nonoperating. This distinction results in operating deficits, as the GASB Statement No. 35 reporting model requires classification of state appropriations, a significant revenue stream to fund current operations, as nonoperating revenue.
The Statement of Cash Flows presents the changes in the University’s cash and cash equivalents during the most recent fiscal year. This statement is prepared using the direct method of cash flows. The statement breaks out the sources and uses of the University’s cash and cash equivalents into four categories:

- Operating activities
- Noncapital financing activities
- Capital and related financing activities
- Investing activities

The University’s routine activities appear in the operating and noncapital financing categories. Capital and related financing sources include debt proceeds, state capital appropriations, capital grants and gifts, proceeds from sale of capital assets, principal and interest payments received on capital leases, and notes receivable. Within the capital and related financing activities, uses of funds consist of acquisition of capital assets, debt repayments, and issuance of notes receivable. Sales and purchases of investments are part of investing activities.

The Statement of Cash Flows for the discretely presented auxiliary organizations is not included in the University’s financial statements.

Financial Highlights

As a result of the reduction in General Fund appropriations to the CSU in the State Budget Act for fiscal year 2012, the noncapital state appropriation for the University in fiscal year 2012 was $2 billion, $580 million below the $2.6 billion in fiscal year 2011. Fee revenues increased by $317 million in fiscal year 2012 mainly due to increases in student fee rates to mitigate the impact of the General Fund reduction and enrollment that exceeded planned targets by over 9,000 full-time equivalent students.

Headcount enrollment increased from 409,526 in fiscal year 2011 to 422,063 in fiscal year 2012, as reflected in the chart on the following page. At the same time, Full-Time Equivalent Students (FTE) increased from 341,728 in 2011 to 355,609 in 2012.
The following chart displays the University’s historical enrollment data by fiscal year:

**Enrollment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-Time Equivalent Students</th>
<th>Total Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>465,703</td>
<td>368,424</td>
</tr>
<tr>
<td>2009</td>
<td>466,075</td>
<td>372,393</td>
</tr>
<tr>
<td>2010</td>
<td>440,819</td>
<td>354,812</td>
</tr>
<tr>
<td>2011</td>
<td>409,526</td>
<td>341,728</td>
</tr>
<tr>
<td>2012</td>
<td>422,063</td>
<td>355,609</td>
</tr>
</tbody>
</table>

**Financial Analysis**

The following sections provide additional details on the University’s financial position and activities for fiscal years 2012 and 2011 and a look ahead at economic conditions that are expected to affect the University in the future:

I. Condensed Schedule of Net Assets

II. Condensed Schedule of Revenues, Expenses, and Changes in Net Assets
I. Condensed Schedule of Net Assets (In thousands)

<table>
<thead>
<tr>
<th></th>
<th>University</th>
<th>Auxiliary organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Current assets</td>
<td>$2,824,645</td>
<td>997,310</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>7,623,133</td>
<td>794,460</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>1,730,841</td>
<td>1,636,020</td>
</tr>
<tr>
<td>Total assets</td>
<td>12,178,619</td>
<td>3,427,790</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,109,094</td>
<td>384,427</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>5,250,748</td>
<td>992,523</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>6,359,842</td>
<td>1,376,950</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>3,809,170</td>
<td>198,606</td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable</td>
<td>21,584</td>
<td>806,592</td>
</tr>
<tr>
<td>Expendable</td>
<td>74,967</td>
<td>642,054</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,913,056</td>
<td>403,588</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$5,818,777</td>
<td>2,050,840</td>
</tr>
</tbody>
</table>

**Current and Other Noncurrent Assets**

Current and other noncurrent assets are assets that are not capital assets and are used to meet the University’s current and noncurrent obligations. These assets consist of cash and cash equivalents, restricted cash and cash equivalents, investments, accounts receivable, notes receivable, leases receivable, student loans receivable, pledges receivable, prepaid expenses, and other assets. The total current and noncurrent assets of $4.6 billion for the University represent an increase of $225.8 million mainly as a result of increases in investments and in accounts receivable, net in the amounts of $169 million and $70 million, respectively. The increase in investments is mainly attributable to an overall increase in operating resources because of student fee rate increases and cost reduction measures to cope with uncertain future state funding levels. The increase also stemmed from proceeds of the September 2011 bond issue. The increase in accounts receivable, net, is mainly attributable to the receipts and adjustments to capital appropriations.

Current and noncurrent assets for the auxiliary organizations decreased by $67.5 million mainly due to a $35.2 million decrease in pledges receivable, net, and a $63.4 million decrease in accounts receivable, net, offset by a $36.1 million increase in cash and investments. The increases in cash and investments are attributable to increases in gifts and contributions to endowments. The decrease in accounts receivable, net, was primarily due to the net payoff of $46.9 million Bond Anticipation Notes (BANs) issued by the California State University Institute (the Institute) and a decrease of $11.6 million in the Institute’s capital financing receivables. The decrease in pledges receivable, net, resulted from restatement of the asset when an auxiliary began reporting as an entity subject to the accounting requirements of the GASB.
Capital Assets

The University’s capital assets, net, of accumulated depreciation, as of June 30, 2012 and 2011, comprise the following:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>June 30, 2012 and 2011</th>
<th>(At historical cost, net of accumulated depreciation)</th>
<th>(In thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Land and land improvements</td>
<td></td>
<td>$ 256,993</td>
<td>243,476</td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td></td>
<td>5,916,053</td>
<td>5,803,047</td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td>584,260</td>
<td>593,705</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td></td>
<td>144,383</td>
<td>142,004</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td>208,148</td>
<td>208,016</td>
</tr>
<tr>
<td>Library books and materials</td>
<td></td>
<td>42,286</td>
<td>45,180</td>
</tr>
<tr>
<td>Works of art and historical treasures</td>
<td></td>
<td>25,423</td>
<td>25,119</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>33,201</td>
<td>43,672</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td></td>
<td>412,386</td>
<td>487,373</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$7,623,133</td>
<td>7,591,592</td>
</tr>
</tbody>
</table>

Total capital assets, net of a accumulated depreciation, increased by $31.5 million during 2012 as a result of completion or continuation of various projects including the projects listed below.

- Completion of the $102 million San Francisco J. Paul Leonard Library/Sutro Library
- Completion of the $67 million San Luis Obispo Recreation Center Expansion
- Completion of the $54 million Los Angeles Science Replacement Building Wing B
- Completion of the $53 million Northridge Student Recreation Center
- Construction in progress on the $119 million San Luis Obispo Center for Science
- Construction in progress on the $102 million San Diego Aztec Center Student Union
- Construction in progress on the $89 million San Jose Student Union Expansion and Renovation
- Construction in progress on the $72 million San Diego Storm/Nasatir Halls Renovation
- Construction in progress on the $62 million Sonoma Student Center
Current and Noncurrent Liabilities

Current liabilities (liabilities due within one year) and noncurrent liabilities (liabilities due in more than one year) include accounts payable, accrued salaries and benefits payable, accrued compensated absences, deferred revenue, grants refundable, capitalized lease obligations, long-term debt obligations, self-insurance claims liability, depository accounts, other postemployment benefit obligations, and other liabilities. Current and noncurrent liabilities for the University increased by $345.4 million, primarily due to the $124.2 million increase in other liabilities as a result of the increase of $201.2 million for future obligations related to the State Public Works Board (SPWB) and a $127 million increase in long-term debt, mainly due to the $161.0 million increase in Systemwide Revenue Bonds. Other major factors included an increase of $44.0 million in other postemployment benefits (OPEB) liabilities allocated from the State, an increase of $19.5 million in deferred revenue mainly due to the increase in student fee rates, and a $46.7 million increase in capitalized lease obligations primarily due to the addition of two projects, offset by regularly scheduled repayments of debt.

Long-Term Debt

As of June 30, 2012 and 2011, the University’s outstanding long-term debt obligations totaled $3.7 billion and $3.6 billion, respectively, and are summarized as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide Revenue Bonds</td>
<td>$3,542,648</td>
<td>3,381,618</td>
</tr>
<tr>
<td>Bond Anticipation Notes</td>
<td>38,542</td>
<td>85,396</td>
</tr>
<tr>
<td>Other</td>
<td>75,908</td>
<td>82,419</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,657,098</strong></td>
<td><strong>3,549,433</strong></td>
</tr>
<tr>
<td>Unamortized bond premium/discount</td>
<td>79,325</td>
<td>46,365</td>
</tr>
<tr>
<td>Unamortized loss on refundings</td>
<td>(26,443)</td>
<td>(12,891)</td>
</tr>
<tr>
<td><strong>Total long-term debt</strong></td>
<td><strong>3,709,980</strong></td>
<td><strong>3,582,907</strong></td>
</tr>
<tr>
<td>Less current portion</td>
<td>(110,097)</td>
<td>(141,739)</td>
</tr>
<tr>
<td><strong>Long-term debt, net of current portion</strong></td>
<td><strong>$3,599,883</strong></td>
<td><strong>3,441,168</strong></td>
</tr>
</tbody>
</table>

The University’s total long-term debt obligations (net of repayments) increased by $127.0 million in 2012, mainly due to the issuance of Systemwide Revenue Bonds Series 2011A and the partial refunding of Series 2002A and 2003A.

The table does not include the University’s capitalized lease obligations. Capitalized lease obligations for the University increased by $46.7 million in 2012, consisting primarily of new capital lease obligations of $102.7 million with the SPWB, offset by current year repayments.

In addition, the State General Obligation Bond program has provided capital funding for various projects of the University. The debt related to these projects is not allocated to the University by the State and thus is not recorded in the University’s financial statements. The total General Obligation Bond debt carried by the State related to University projects at June 30, 2012 and 2011 is approximately $2.7 billion.
No fundamental changes occurred in the revenues and expenditures of the revenue bond programs during fiscal year 2012. Repayment of specific programmatic revenue bonds is legally limited to the sources of revenue from operations of the projects including specific mandatory fees pledged to the revenue bond programs. For the Systemwide Revenue Bonds, revenues pledged generally include student housing fees, parking fees, student union fees, health center facilities fees, and continuing education fees, as well as other revenues designated by the Board of Trustees for inclusion in the Systemwide Revenue Bonds program.

Moody’s Investors Service currently provides an intrinsic rating of Aa2, with a positive outlook, for the Systemwide Revenue Bonds. Standard & Poor’s Ratings Service currently provides an intrinsic rating of A+, with a stable outlook, for the Systemwide Revenue Bonds. With the exception of certain maturities of Series 2005C, Series 2007A, Series 2008A, and Series 2009A, and all maturities of Series 2010A, 2010B, and Series 2011A, all Systemwide Revenue Bonds are insured. Since the middle of fiscal year 2008, some providers of insurance for Systemwide Revenue Bonds have been downgraded to ratings below Aaa/AAA. Those bonds that are uninsured bear the intrinsic ratings of the Systemwide Revenue Bonds, which are Aa2 from the Moody’s Investors Service and A+ from the Standard & Poor’s Rating Service.

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of the University’s financial position. As of June 30, 2012, assets exceeded liabilities by $5.8 billion for the University with no significant changes in total net assets from prior year.

University Net Assets
June 30, 2012

Total Net Assets: $5,818,777,000

The net asset category “Invested in capital assets, net of related debt” represents the University’s capital assets, net of accumulated depreciation, and also net of outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The University uses these capital assets in its
day-to-day operations. This category is the largest portion of the University’s net assets. In the current year, there was no significant change in the University’s invested in capital assets, net of related debt.

Restricted net assets have constraints on their use that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for specific purposes. Such restrictions are primarily related to endowments, scholarships, capital projects, loans, and debt service funds.

The restricted net asset category consists of two subcategories: “Restricted nonexpendable” and “Restricted expendable.” The restricted nonexpendable net assets are made up of the permanent endowment funds, the corpus of which may not be expendable. Generally speaking, the University’s foundations, which are recognized auxiliary organizations, hold the significant majority of the University-related endowments. In the current year, there was no significant change in the University’s restricted nonexpendable net assets. In the current year, the University experienced a net decrease of $107.5 million in restricted expendable net assets mainly due to debt service repayments, and spending down of existing capital appropriations and not receiving new capital appropriations.

The unrestricted net assets represents all other net resources available to the University for general and educational obligations. Under generally accepted accounting principles, net assets that are not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net assets are not subject to externally imposed restrictions per accounting definitions, the predominant portions of the unrestricted net assets are designated for specific programs or projects related to certain revenue sources, as further explained in the following paragraphs. The total unrestricted net assets for the University increased by $77.3 million to $1.9 billion as of June 30, 2012, which consists of $1.33 billion designated resources from various funds and $584 million undesignated resources mainly from the operating fund. The undesignated resources provide a prudent reserve for contingencies, such as the uncertain direction of future state appropriations, as well as the effects of an uncertain economic environment.

Within the unrestricted net asset category, the designated resources come from fee collections and other activities that are designated for very specific purposes and are not to be repurposed and spent for other activities. For example, students pay some fees such as Housing and Parking fees and campus activities generate fees as well, all of which are to be used for specific designated purposes as described in the Education Code. The University also has certain designated resources that represent amounts pledged to support the Systemwide Revenue Bonds program.

Of the $1.33 billion in designated net assets, approximately 58% was designated for supporting enterprise activities (i.e., Continuing Education, Housing, Parking, and Student Union), 13% was designated for campus-based projects or programs, and 12% was designated for special capital projects. The remaining 17% was designated for supporting activities related to education, financial aid, and future liability claims.
II. Condensed Schedule of Revenues, Expenses, and Changes in Net Assets (In thousands)

<table>
<thead>
<tr>
<th>University</th>
<th>Auxiliary organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees, net</td>
<td>$ 2,065,126</td>
</tr>
<tr>
<td>Grants and contracts, noncapital</td>
<td>92,915</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>35,406</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises, net</td>
<td>389,246</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>177,126</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>2,759,819</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>6,040,493</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(3,280,674)</td>
</tr>
<tr>
<td>Nonoperating revenues, net:</td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>1,996,421</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>795,097</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>394,367</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>20,356</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>4,197</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>39,835</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>59,067</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>85</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(213,138)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>53,346</td>
</tr>
<tr>
<td>Net nonoperating revenues</td>
<td>3,149,633</td>
</tr>
<tr>
<td>Income (loss) before other revenues and expenses</td>
<td>(131,041)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>7,021</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>35,978</td>
</tr>
<tr>
<td>Additions (reductions) to permanent endowments</td>
<td>(37)</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(88,079)</td>
</tr>
<tr>
<td>Net assets – beginning of year, as previously reported</td>
<td>5,906,856</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
</tr>
<tr>
<td>Net assets – beginning of year, as restated</td>
<td>5,906,856</td>
</tr>
<tr>
<td>Net assets – end of year</td>
<td>$ 5,818,777</td>
</tr>
</tbody>
</table>
CALIFORNIA STATE UNIVERSITY
Management’s Discussion and Analysis
June 30, 2012
(Unaudited)

Revenues (Operating and Nonoperating)
The following chart displays the components of the University’s revenues for fiscal years 2012 and 2011:

![University Revenues by Source](chart)

### University Revenues (Operating and Nonoperating)
Years ended June 30, 2012 and 2011

<table>
<thead>
<tr>
<th>Source</th>
<th>2012</th>
<th>Percentage of total</th>
<th>2011</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations (noncapital and capital)</td>
<td>$2,003,442</td>
<td>32.5%</td>
<td>$2,588,529</td>
<td>42.5%</td>
</tr>
<tr>
<td>Student tuition and fees, net</td>
<td>$2,065,126</td>
<td>33.5%</td>
<td>$1,748,536</td>
<td>28.7%</td>
</tr>
<tr>
<td>Grants, contracts, and gifts</td>
<td>$1,382,708</td>
<td>22.4%</td>
<td>$1,343,798</td>
<td>22.1%</td>
</tr>
<tr>
<td>Sales and services (educational activities and auxiliary enterprises, net)</td>
<td>$424,652</td>
<td>6.9%</td>
<td>$383,871</td>
<td>6.3%</td>
</tr>
<tr>
<td>Investment income, net and other</td>
<td>$289,624</td>
<td>4.7%</td>
<td>$24,016</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>$6,165,552</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$6,088,750</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
Unlike prior years, the largest component of revenues in current year is student tuition and fees, which increased by $316.6 million, or 18.1%, and accounts for 33.5% of the University’s revenues. This increase is mainly due to increases in student fee rates and an increase in overall enrollment.

The second largest component of revenues is state appropriations, which accounted for 32.5% of the University’s revenues in fiscal year 2012. State appropriations are received for both noncapital and capital purposes. Noncapital appropriations decreased by $580.3 million, or 22.5%, from $2.6 billion to $2.0 billion in the current year. Capital appropriations decreased by $4.8 million, or 40.6%, from $11.8 million to $7.0 million in the current year, which resulted from less funding from the State.

A significant portion of the University’s contracts and grants revenue is managed through its auxiliary organizations. Of the total reporting entity’s contracts and grants revenue ($1.8 billion), 28.43% is managed by these related entities. Contracts and grants revenue for the total reporting entity has increased $11.8 million or 0.7% in the current year.

Total gift income for the University and the auxiliary organizations (which includes operating and capital gifts, as well as additions to permanent endowments) reached $199.5 million, or 2.6% of the reporting entity’s total revenues in fiscal year 2012. In the current year, there was no significant change in the reporting entity’s gift income. Gifts are used to support a variety of projects, including capital improvements, scholarships, and endowments for various academic and research programs.

Auxiliary enterprise operations such as student housing may be run by the University or by auxiliary organizations depending on the campus, whereas student unions are run by auxiliary organizations. There was no significant change in sales and services of auxiliary enterprises revenue for the total reporting entity (either the University or auxiliary organizations) in the current year.

Investment income, net and other for the University, which consists of investment income, endowment income, other operating revenues, and other nonoperating expenses, increased by $265.6 million to $289.6 million in the current year. The increase was primarily due to an increase of $250.3 million in other nonoperating revenues and $12.5 million in investment income, net, in the current year. Certain adjustments reducing other nonoperating revenue recorded in the prior year were not required in the current year.

The University’s investment portfolio consists primarily of investments held in the State of California Surplus Money Investment Fund (SMIF) and the California State University (CSU) Consolidated Investment Pool. The University’s strategy continues in investing in securities with low interest rates and short maturities.
Operating Expenses

Approximately 35% of the University’s total operating expenses in fiscal year 2012 directly support the primary function of the University, which is instruction. These direct expenses include only faculty and instructional support staff salaries, benefits, and their direct expenses. When the mission-critical educational support activities of student services, academic support, grants and scholarships, public service, and research are added to direct classroom instruction, total instruction and educational support activities account for approximately 70% of the total operating expenses of the University as shown below:

<table>
<thead>
<tr>
<th>University Operating Expenses</th>
<th>Year ended June 30, 2012</th>
<th>(In thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$ 2,097,430</td>
<td>34.7%</td>
</tr>
<tr>
<td>Research</td>
<td>42,797</td>
<td>0.7%</td>
</tr>
<tr>
<td>Public service</td>
<td>67,417</td>
<td>1.1%</td>
</tr>
<tr>
<td>Academic support</td>
<td>576,899</td>
<td>9.6%</td>
</tr>
<tr>
<td>Student services</td>
<td>622,592</td>
<td>10.3%</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>833,400</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>Total instruction and educational support activities</strong></td>
<td><strong>4,240,535</strong></td>
<td><strong>70.2%</strong></td>
</tr>
<tr>
<td>Institutional support</td>
<td>612,560</td>
<td>10.1%</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>509,016</td>
<td>8.4%</td>
</tr>
<tr>
<td>Auxiliary enterprises expenses</td>
<td>264,863</td>
<td>4.5%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>413,519</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>$ 6,040,493</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Total operating expenses for the University increased by $173.7 million in the current year. The increase was primarily a result of increased student enrollment in the current year, resulting in an increase of $53.7 million in instruction expenses and $31.0 million in grants and scholarships expenses. Other factors included increases in auxiliary enterprise expenses due to housing and parking lot improvements, depreciation and amortization, and maintenance and repair expenses. These increases were offset by overall cost reductions measures in various functional categories. The chart on the following page displays the University’s operating expenses by program for fiscal years 2012 and 2011.
Factors Impacting Future Periods

The State Budget Act for fiscal year 2013, approved by the Governor on June 27, 2012 and amended on September 27, 2012, holds the University appropriations at the same level of operating support provided in the fiscal year 2012 enacted budget. The result will be an approximately $30 million decrease in noncapital state appropriations for the University in fiscal year 2013 to a total of $1.97 billion from $2.0 billion in fiscal year 2012, which reflects a base reduction of $38 million for fiscal year 2012 retirement costs and increased lease bond debt service costs of $8 million. The CSU also anticipates a $51.5 million adjustment in University appropriations that was not included in the fiscal year 2013 enacted budget for fiscal year 2013 retirement cost increases. This adjustment will bring the University’s fiscal year 2013 General Fund appropriations to $2.06 billion.

On November 6, 2012, a measure known as Proposition 30 was passed by voters. As a result, a potential decrease in the fiscal year 2013 budget was avoided. However, a roll back of tuition fees assessed for terms beginning with fall 2012 will be required; the estimated amount of refunds is $132 million, of which $125 million will be recovered from the State in the 2014 fiscal year.
## CALIFORNIA STATE UNIVERSITY
### Statement of Net Assets
#### June 30, 2012

### Discretely presented component units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 8,435,000</td>
<td>183,684,000</td>
<td>192,119,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>2,595,461,000</td>
<td>483,555,000</td>
<td>3,079,016,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>143,142,000</td>
<td>240,963,000</td>
<td>384,105,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>9,216,000</td>
<td>1,703,000</td>
<td>10,919,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>6,968,000</td>
<td>2,876,000</td>
<td>9,844,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>535,000</td>
<td>45,100,000</td>
<td>45,635,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>60,888,000</td>
<td>39,429,000</td>
<td>100,317,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,824,645,000</td>
<td>997,310,000</td>
<td>3,821,955,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>886,000</td>
<td>91,539,000</td>
<td>92,425,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>451,735,000</td>
<td>61,974,000</td>
<td>513,709,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>232,288,000</td>
<td>30,170,000</td>
<td>262,458,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>91,750,000</td>
<td>1,452,000</td>
<td>93,202,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>958,000</td>
<td>83,680,000</td>
<td>84,638,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>21,584,000</td>
<td>953,129,000</td>
<td>974,713,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, current</td>
<td>7,623,133,000</td>
<td>794,460,000</td>
<td>8,417,593,000</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>9,353,974,000</td>
<td>2,430,480,000</td>
<td>11,784,454,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>12,178,529,000</td>
<td>3,427,790,000</td>
<td>15,606,319,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

| Current liabilities:                        |              |                         |             |
| Accounts payable                           | 192,508,000  | 77,979,000              | 270,487,000 |
| Accrued salaries and benefits payable      | 273,442,000  | 24,670,000              | 298,112,000 |
| Accrued compensated absences, current      | 114,926,000  | 13,884,000              | 128,810,000 |
| Deferred revenue                           | 262,312,000  | 61,354,000              | 323,666,000 |
| Capitalized lease obligations, current     | 59,662,000   | 8,549,000               | 68,211,000  |
| Long-term debt obligations, current        | 110,097,000  | 110,839,000             | 220,936,000 |
| Self-insurance claims liability, current   | 22,731,000   | 15,000                  | 22,746,000  |
| Depository accounts, current               | 7,099,000    | 8,668,000               | 15,767,000  |
| Other liabilities                          | 66,317,000   | 78,469,000              | 144,786,000 |
| **Total current liabilities**              | 1,109,094,000 | 384,427,000             | 1,493,521,000 |
| Noncurrent liabilities:                    |              |                         |             |
| Accrued compensated absences, net of current | 87,886,000  | 3,393,000               | 91,279,000  |
| Deferred revenue                           | 11,387,000   | 10,914,000              | 22,301,000  |
| Capitalized lease obligations, current     | 273,442,000  | 24,670,000              | 298,112,000 |
| Long-term debt obligations, current        | 3,599,883,000 | 428,674,000             | 4,028,557,000 |
| Self-insurance claims liability, net of current | 53,558,000  | 2,933,000               | 56,491,000  |
| Depository accounts                         | 5,085,000    | 13,558,000              | 18,643,000  |
| Other postemployment benefits obligation   | 172,587,000  | 121,931,000             | 294,518,000 |
| Other liabilities                          | 294,604,000  | 53,594,000              | 348,198,000 |
| **Total noncurrent liabilities**           | 5,250,748,000 | 992,523,000             | 6,243,271,000 |
| **Total liabilities**                      | 6,359,842,000 | 1,376,950,000          | 7,736,792,000 |

### Net assets:

| Invested in capital assets, net of related debt | 3,809,170,000 | 198,606,000 | 4,007,776,000 |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Revenues: Operating revenues:</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $1,043,572,000)</td>
<td>$2,065,126,000</td>
<td>176,233,000</td>
<td>(8,652,000)</td>
<td>2,232,707,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td>65,239,000</td>
<td>329,694,000</td>
<td>—</td>
<td>394,933,000</td>
</tr>
<tr>
<td>Federal</td>
<td>15,297,000</td>
<td>101,871,000</td>
<td>—</td>
<td>117,168,000</td>
</tr>
<tr>
<td>State</td>
<td>5,085,000</td>
<td>16,123,000</td>
<td>—</td>
<td>21,208,000</td>
</tr>
<tr>
<td>Local</td>
<td>7,294,000</td>
<td>64,293,000</td>
<td>—</td>
<td>71,587,000</td>
</tr>
<tr>
<td>Nongovernmental sales and services of educational activities</td>
<td>35,406,000</td>
<td>31,437,000</td>
<td>—</td>
<td>66,843,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $50,354,000)</td>
<td>389,246,000</td>
<td>467,820,000</td>
<td>(6,169,000)</td>
<td>850,897,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>177,126,000</td>
<td>135,795,000</td>
<td>(2,203,000)</td>
<td>310,718,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>2,759,819,000</strong></td>
<td><strong>1,323,266,000</strong></td>
<td><strong>(17,024,000)</strong></td>
<td><strong>4,066,061,000</strong></td>
</tr>
</tbody>
</table>

| Expenses: Operating expenses: | 2,097,430,000 | 163,380,000 | (308,000) | 2,260,502,000 |
| Research | 42,797,000 | 205,765,000 | (226,000) | 243,326,000 |
| Public service | 67,417,000 | 178,415,000 | (2,600,000) | 243,232,000 |
| Academic support | 576,899,000 | 63,003,000 | (1,363,000) | 638,539,000 |
| Student services | 622,592,000 | 135,797,000 | (18,372,000) | 740,917,000 |
| Institutional support | 612,560,000 | 126,968,000 | (9,663,000) | 729,865,000 |
| Operation and maintenance of plant | 509,016,000 | 29,460,000 | (516,000) | 537,960,000 |
| Student grants and scholarships | 833,400,000 | 43,607,000 | (1,363,000) | 858,243,000 |
| Auxiliary enterprise expenses | 264,863,000 | 46,700,000 | (460,219,000) |
| Depreciation and amortization | 413,519,000 | 46,700,000 | (8,230,000) | 693,529,000 |
| **Total operating expenses** | **6,040,493,000** | **1,429,991,000** | **(60,042,000)** | **7,410,442,000** |
| **Operating loss** | **(3,280,674,000)** | **(106,725,000)** | **43,018,000** | **(3,344,381,000)** |

| Nonoperating revenues (expenses): | 1,996,421,000 | — | — | 1,996,421,000 |
| State appropriations, noncapital | 795,097,000 | 1,414,000 | — | 796,511,000 |
| Federal financial aid grants, noncapital | 394,367,000 | 1,229,000 | — | 395,596,000 |
| State financial aid grants, noncapital | 67,417,000 | 178,415,000 | (2,600,000) | 243,232,000 |
| Local financial aid grants, noncapital | 576,899,000 | 63,003,000 | (1,363,000) | 638,539,000 |
| Nongovernmental and other financial aid grants, noncapital | 20,356,000 | 555,000 | (9,310,000) | 11,601,000 |
| Other federal nonoperating grants, noncapital | 4,197,000 | — | — | 4,197,000 |
| Gifts, noncapital | 39,835,000 | 117,269,000 | (17,560,000) | 139,536,000 |
| Investment income net | 59,067,000 | 8,224,000 | — | 67,291,000 |
| Endowment income | 85,000 | 9,566,000 | — | 9,651,000 |
| Interest income | (213,138,000) | (31,803,000) | — | (244,941,000) |
| Other nonoperating revenues (expenses) | 53,346,000 | 1,419,991,000 | (19,662,000) | 2,049,655,000 |
| **Net nonoperating revenues** | **3,149,633,000** | **79,684,000** | (19,662,000) | **3,209,655,000** |
| Income (loss) before other revenues and expenses | (131,041,000) | (27,041,000) | 23,356,000 | (134,726,000) |

| State appropriations, capital | 7,021,000 | — | — | 7,021,000 |
| Grants and gifts, capital | 35,978,000 | 12,273,000 | (23,355,000) | 24,896,000 |
| Additions (reduction) to permanent endowments | (37,000) | 35,173,000 | (1,000) | 35,135,000 |
| **Increase (decrease) in net assets** | **(88,079,000)** | **20,405,000** | — | **(67,674,000)** |

| Net assets: Net assets at beginning of year, as previously reported | **5,906,856,000** | **2,025,810,000** | — | **7,932,666,000** |
| Restatements | — | **4,625,000** | — | **4,625,000** |
| Net assets at beginning of year, as restated | **5,906,856,000** | **2,030,435,000** | — | **7,937,291,000** |
| Net assets at end of year | **$ 5,818,777,000** | **2,050,840,000** | — | **7,869,617,000** |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Cash flows from operating activities:**

- **Student tuition and fees** $2,077,597,000
- **Federal grants and contracts** 63,854,000
- **State grants and contracts** 15,635,000
- **Local grants and contracts** 5,595,000
- **Nongovernmental grants and contracts** 6,829,000
- **Payments to suppliers** $(1,031,055,000)
- **Payments to employees** $(3,724,608,000)
- **Payments to students** $(839,855,000)
- **Collections of student loans** 5,030,000
- **Sales and services of educational activities** 33,536,000
- **Sales and services of auxiliary enterprises** 394,973,000
- **Other receipts** 172,877,000

**Net cash used in operating activities** $(2,819,592,000)

**Cash flows from noncapital financing activities:**

- **State appropriations** 1,999,985,000
- **Federal financial aid grants** 795,646,000
- **State financial aid grants** 395,082,000
- **Nongovernmental and other financial aid grants** 20,493,000
- **Other federal nonoperating grants** 4,197,000
- **Gifts and grants received for other than capital purposes** 37,982,000
- **Federal loan program receipts** 1,378,181,000
- **Federal loan program disbursements** $(1,372,898,000)
- **Monies received on behalf of others** 105,544,000
- **Monies disbursed on behalf of others** $(106,577,000)
- **Other noncapital financing activities** 41,511,000

**Net cash provided by noncapital financing activities** 3,299,146,000

**Cash flows from capital and related financing activities:**

- **Proceeds from capital debt** 504,850,000
- **State appropriations** 142,310,000
- **Capital grants and gifts** 20,983,000
- **Proceeds from sale of capital assets** 278,000
- **Acquisition of capital assets** $(426,020,000)
- **Issuance of notes receivable** $(31,674,000)
- **Transfers to escrow agent** $(217,328,000)
- **Principal paid on capital debt and leases** $(215,517,000)
- **Interest paid on capital debt and leases** $(202,078,000)
- **Principal payments received on capital leases receivable** 7,453,000
- **Interest payments received on capital leases receivable** 15,070,000
- **Principal payments received on notes receivable** 36,297,000
- **Interest payments received on notes receivable** 10,496,000

**Net cash used in capital and related financing activities** $(354,880,000)

**Cash flows from investing activities:**

- **Proceeds from sales and maturities of investments** 12,261,163,000
- **Purchases of investments** $(12,432,445,000)
- **Investment income proceeds** 39,596,000

**Net cash used in investing activities** $(131,686,000)

**Net decrease in cash and cash equivalents** $(7,012,000)

**Cash and cash equivalents at beginning of year** 16,333,000

**Cash and cash equivalents at end of year** $9,321,000

**Summary of cash and cash equivalents at end of year:**

- **Cash and cash equivalents** $8,435,000
- **Restricted cash and cash equivalents** 886,000

**Total cash and cash equivalents at end of year** $9,321,000
CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

Operating loss $ (3,280,674,000)

Adjustments to reconcile operating loss to net cash used in operating activities:

Depreciation and amortization 413,519,000

Change in assets and liabilities:

  Accounts receivable, net (6,144,000)
  Student loans receivable, net (541,000)
  Prepaid expenses and other assets (5,842,000)
  Accounts payable 2,749,000
  Accrued salaries and benefits 8,746,000
  Accrued compensated absences (3,171,000)
  Deferred revenue 19,868,000
  Self-insurance claims liability (11,952,000)
  Depository accounts 7,000
  Other postemployment benefits obligation 44,042,000
  Other liabilities (199,000)

Net cash used in operating activities $ (2,819,592,000)

Supplemental schedule of noncash transactions:

Contributed capital assets $ 14,995,000
Acquisition of capital assets through capital lease 2,536,000
Change in accrued capital asset purchases (7,676,000)
Capitalized interest 1,726,000
State Public Works Board (SPWB) program appropriation 201,185,000
Reclassification to capitalized lease obligations 102,773,000
Other miscellaneous noncash transactions related to auxiliary organizations and capital assets 845,000
Gifts in kind 483,000
Amortization of bond premium and discount 5,053,000
Amortization of loss on refundings 1,926,000

See accompanying independent auditors’ report.
(1) **Organization**

California State University (the University) was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals emphasizing a broad liberal arts education. As an agency of the State of California (the State), the University is also included in the State’s financial statements. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the Chancellor, the chief executive officer of the University, and the University Presidents, the chief executive officers of the respective campuses. In addition to the Office of the Chancellor, the following 23 campuses comprise the California State University at June 30, 2012:

- California State University, Bakersfield
- California State University, Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University, San Luis Obispo
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus
The University provides instruction for baccalaureate, masters', doctorate, and certificate programs, and operates various auxiliary enterprises, such as student housing and parking facilities. In addition, the University administers a variety of financial aid programs that are funded primarily through state and federal programs.

(2) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, and No. 35, Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities, the accompanying financial statements present the statement of net assets, statement of revenues, expenses, and changes in net assets, and statement of cash flows of the 23 campuses and the Office of the Chancellor of the California State University.

In addition, the accompanying financial statements include the accounts of the 92 University-related recognized auxiliary organizations. These organizations are legally separate entities that provide services primarily to the University and its students. Such organizations include foundations, associated students, student unions, food service entities, bookstores, and similar organizations. Foundations, whose net assets comprise approximately 80% of the discretely presented component unit totals, carry out a variety of campus-related activities. Such activities consist primarily of administering grants from governmental and private agencies for research, as well as soliciting and accepting donations, gifts, and bequests for University-related use. Separate financial statements are issued for each of the recognized auxiliary organizations and may be obtained from the individual campuses.

The recognized auxiliary organizations are as follows:

- California State University, Bakersfield, Foundation
- Associated Students, Inc., California State University, Bakersfield
- California State University, Bakersfield Student Union
- California State University, Bakersfield, Auxiliary for Sponsored Programs Administration
- California State University Institute
- California State University Foundation
- California State University, Channel Islands Foundation
- Associated Students of California State University, Channel Islands, Inc.
- CSU CI Financing Authority
- California State University, Channel Islands Site Authority
- California State University Channel Islands University Glen Corporation
• The CSU, Chico Research Foundation
• The University Foundation, California State University, Chico
• Associated Students of California State University, Chico
• California State University Dominguez Hills Foundation
• Associated Students, Inc., California State University, Dominguez Hills
• The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills
• California State University, East Bay Foundation, Inc.
• Associated Students, Inc. of California State University, East Bay
• Cal State East Bay Educational Foundation, Inc.
• California State University, Fresno Foundation
• Associated Students, Inc. of California State University, Fresno
• California State University, Fresno Association, Inc.
• The Agricultural Foundation of California State University, Fresno
• California State University, Fresno Athletic Corporation
• The Bulldog Foundation (Fresno)
• Fresno State Programs for Children, Inc.
• Cal State Fullerton Philanthropic Foundation
• Associated Students, California State University, Fullerton, Inc.
• Titan Student Centers Associated Students California State University, Fullerton, Inc.
• CSU Fullerton Housing Authority
• CSU Fullerton Auxiliary Services Corporation
• Humboldt State University Sponsored Programs Foundation
• Associated Students of Humboldt State University
• Humboldt State University Center Board of Directors
• Humboldt State University Advancement Foundation
• California State University, Long Beach Research Foundation
• Associated Students, Inc., California State University, Long Beach
• Forty-Niner Shops, Inc. (Long Beach)
• Cal State L.A. University Auxiliary Services, Inc.
• California State University, Los Angeles Foundation
• Associated Students of California State University, Los Angeles, Inc.
• University – Student Union Board, California State University, Los Angeles
• California Maritime Academy Foundation, Inc.
• Associated Students of the California Maritime Academy
• University Corporation at Monterey Bay
• Foundation of California State University, Monterey Bay
• California State University, Northridge Foundation
• Associated Students, Inc., California State University, Northridge
• University Student Union, Inc., California State University, Northridge
• North Campus – University Park Development Corporation (Northridge)
• The University Corporation (Northridge)
• Cal Poly Pomona Foundation, Inc.
• Associated Students, Inc., California State Polytechnic University, Pomona
• The University Foundation at Sacramento State
• University Enterprises, Inc. (Sacramento)
• Associated Students of California State University, Sacramento
• University Union Operation of California State University, Sacramento
• Capital Public Radio, Inc. (Sacramento)
• Santos Manuel Student Union of California State University, San Bernardino
• Associated Students, Incorporated, California State University, San Bernardino
• CSUSB Philanthropic Foundation
• University Enterprises Corporation at CSUSB
• San Diego State University Research Foundation
• The Campanile Foundation (San Diego)
• Associated Students of San Diego State University
• Aztec Shops, Ltd. (San Diego)
• The University Corporation, San Francisco State
• Associated Students of San Francisco State University
The auxiliary organizations are presented in the accompanying financial statements as discretely presented component units of the University due to the nature and significance of their relationship with the University. The relationships are such that exclusion of these organizations from the reporting entity would render the financial statements incomplete, primarily due to their close affiliation with the University. The auxiliary organizations are discretely presented to allow the financial statement users to distinguish between the University and the auxiliary organizations. None of the auxiliary organizations are considered individually significant to the total discretely presented auxiliary organizations.

All significant inter-entity transactions have been eliminated.
The accompanying financial statements also include the California State University Risk Management Authority (CSURMA); Stockton Center Site Authority; and California State Student Association, which are included as blended component units. These entities primarily provide services to the University in the areas of risk management, asset management, and debt financing. The University is financially accountable for these organizations.

(b) Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. 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.

As a public institution, the University is considered a special-purpose government under the provisions of GASB Statement No. 35. The University records revenue in part from fees and other charges for services to external users and, accordingly, has chosen to present financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows all financial information for the University to be reported in a single column in each of the financial statements, accompanied by aggregated financial information for the auxiliary organizations. The effect of internal activity between funds or groups of funds has been eliminated from these financial statements.

(c) Auxiliary Organizations Restatements

The beginning net assets of the auxiliary organizations have been restated primarily due to the correction of errors. A summary of the restatements to net assets at the beginning of the year related to the auxiliary organizations is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets as of June 30, 2011, as previously reported</td>
<td>$ 2,025,810,000</td>
</tr>
<tr>
<td>Adjustments for overstatement of OPEB</td>
<td>30,218,000</td>
</tr>
<tr>
<td>Adjustment for overstatement of pledges receivable</td>
<td>(24,102,000)</td>
</tr>
<tr>
<td>Adjustment for understatement of accumulated depreciation on intangibles</td>
<td>(3,595,000)</td>
</tr>
<tr>
<td>Adjustments for understatement of donated assets</td>
<td>2,618,000</td>
</tr>
<tr>
<td>Other adjustments, net</td>
<td>(514,000)</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>$ 2,030,435,000</td>
</tr>
</tbody>
</table>

(d) Election of Applicable FASB Statements

The University follows standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to November 30, 1989, unless those standards conflict with or contradict guidance of the GASB. The University also has the option of following subsequent private-sector guidance subject to the same limitation. The University has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.
(e) **Classification of Current and Noncurrent Assets (Other Than Investments) and Liabilities**

The University 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 statement of net assets date. Liabilities that reasonably can be expected, as part of normal University business operations, to be liquidated within 12 months of the statement of net assets date are considered to be current. All other assets and liabilities are considered noncurrent. For classification of current and noncurrent investments, refer to note 2(g).

(f) **Cash Equivalents and Statement of Cash Flows**

The University considers highly liquid investments with an original maturity date of three months or less to be cash equivalents. The University considers amounts included in the CSU Investment Pool to be investments. The statement of cash flows does not include the cash flows of the discretely presented auxiliary organizations.

(g) **Investments**

Investments are reflected at fair value using quoted market prices. Realized and unrealized gains and losses are included in the accompanying statement of revenues, expenses, and changes in net assets as a component of investment income, net.

Investments that are used for current operations are classified as short-term investments. Investments that are restricted for withdrawal or use for other than current operations, designated or restricted for the acquisition or construction of noncurrent assets, designated or restricted for the liquidation of the noncurrent portion of long-term debt, and restricted as to the liquidity of the investments are classified as other long-term investments.

(h) **Accounts Receivable**

The University maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable based on type of receivables and expectations of repayment. In establishing the required allowance, management considers one or more of the following: type of receivables, state guidelines, historical losses adjusted to take into account current market conditions, the amount of receivables in dispute, and the current receivables aging and current payment patterns. The University reviews its allowance for doubtful accounts annually. Past due balances over 90 days and over a specified amount are reviewed individually for collectibility.

(i) **Capital Assets**

Capital assets are stated at cost or estimated historical cost if purchased, or, if donated, at estimated fair value at date of donation. Capital assets, including infrastructure and intangible assets, with an original value of $5,000 or more and with a useful life of one year or more, are capitalized. Such cost includes, where applicable, interest capitalized as part of the cost of constructed capital assets. Title to all University assets, whether purchased, constructed, or donated, is held by the State. Although title is not with the University for land and buildings, the University has exclusive use of these assets and is responsible for the maintenance of these assets and thus has recorded the cost of these assets on the accompanying financial statements. Capital assets, with the exception of land and land
improvements, works of art and historical treasures, construction work in progress, and certain intangible assets, are depreciated or amortized on a straight-line basis over their estimated useful lives, which range from 3 to 45 years. Library books, unless considered rare collections, are capitalized and depreciated over a 10-year period. Periodicals and subscriptions are expensed as purchased. Works of art and historical treasures are valued at cost, if purchased, or the fair market value at the date of donation, if contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Depreciation and amortization expense is shown separately in the statement of revenues, expenses, and changes in net assets rather than being allocated among other categories of operating expenses.

(j) Deferred Revenue
Deferral revenue consists primarily of fees collected in advance for summer and fall terms and continuing education programs.

(k) Compensated Absences
Compensated absences are recognized when the right to receive the compensation is earned by the employees. Vacation is accrued on a monthly basis. The University uses an employee’s current pay rate as of July 1, 2012 to calculate the liability for accrued compensated absences. The University employees pay rates are based on length of service and job classifications.

(l) Grants Refundable
The University periodically receives contributions from the federal government in support of its operation of the Federal Perkins and Nursing Loan programs, both Title IV Loan programs. The federal government has the ability to terminate its support of these programs at any time and to request the University to return those contributions that it has made on a cumulative basis. Accordingly, the federal contributions received and retained by the University at year-end are considered liabilities of the University and are reflected as such in the accompanying statement of net assets.

(m) Self-Insurance Claims Liability
The claims liability for losses and loss adjustment expenses included in the accompanying financial statements reflects the estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2012. The liability includes the estimated amount that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not been reported. The liability is also reduced by estimated amounts recoverable from the reinsurer that are related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. The liability is not discounted.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made.
In the estimate of the unpaid losses and loss adjustment expenses, CSURMA and CSURMA’s consulting actuary have employed methods and assumptions they considered reasonable and appropriate given the information currently available. Given the inherent uncertainty in the nature of such estimates, future losses may deviate from those estimates.

(n) **Net Assets**

The University’s net assets are classified into the following net asset categories:

- **Invested in capital assets, net of related debt**: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- **Restricted**:
  - **Nonexpendable**: Net assets subject to externally imposed conditions that the University retains in perpetuity. Net assets in this category consist of endowments held by the University or its related auxiliaries.
  - **Expendable**: Net assets subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

- **Unrestricted: All other categories of net assets**: In addition, unrestricted net assets may have legislative or bond indenture requirements associated with their use or may be designated for use by management of the University. These requirements limit the area of operations for which expenditures of net assets may be made and require that unrestricted net assets be designated to support future operations in these areas. University housing programs are a primary example of operations that have unrestricted net assets with designated uses.

(o) **Classification of Revenues and Expenses**

The University considers operating revenues and expenses in the statement of revenues, expenses, and changes in net assets to be those revenues and expenses that result from exchange transactions and from other activities that are connected directly to the University’s primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include the University’s capital and noncapital appropriations from the State, financial aid, net investment income, noncapital gifts, interest expense, and capital grants and gifts.

The State appropriates funds to the University on an annual basis. The appropriations are, in turn, allocated among the campuses by the Office of the Chancellor. Appropriations are recognized as revenue in general when authorization is received and are reported as either noncapital appropriations when used to support general operations or capital appropriations when used for capital projects.

Student tuition and fee revenue, and sales and services of auxiliary enterprises, including revenues from student housing programs, are presented net of scholarships and fellowships applied to student
accounts. Certain other scholarship amounts are paid directly to, or refunded to, the student and are reflected as expenses.

(p) Internal Services Activities

Certain institutional internal service providers offer goods and services to University departments, as well as to their external customers. These include activities such as copy centers, postal services, and telecommunications. All internal service activities to University departments have been eliminated in the accompanying financial statements. These eliminations are recorded by removing the revenue and expense in the internal service sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the year.

(q) Income Taxes

The University is an agency of the State and is treated as a governmental entity for tax purposes. As such, the University is generally not subject to federal or state income taxes. However, the University remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded. If there is net income from any unrelated trade or business, such provision, in the opinion of management, is not material to the financial statements taken as a whole.

(r) Eliminations

All significant nonexchange transactions between the University and the discretely presented auxiliary organizations have been eliminated from the total column and are separately presented in the eliminations column in the accompanying statement of revenues, expenses, and changes in net assets.

(s) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results could differ from those estimates.
(3) Cash, Cash Equivalents, and Investments

The University’s cash, cash equivalents, and investments as of June 30, 2012 are classified in the accompanying statement of net assets as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$8,435,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>886,000</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>9,321,000</strong></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>2,595,461,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>21,584,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>511,403,000</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>3,128,448,000</strong></td>
</tr>
<tr>
<td><strong>Total cash, cash equivalents, and investments</strong></td>
<td><strong>$3,137,769,000</strong></td>
</tr>
</tbody>
</table>

(a) Cash and Cash Equivalents

At June 30, 2012, cash and cash equivalents consisted of demand deposits held at the State Treasury and commercial banks, and petty cash. Total cash and cash equivalents of $9,321,000 had a corresponding carrying balance with the State Treasury and commercial banks of $9,917,000 at June 30, 2012. The difference was primarily related to deposits in transit and outstanding checks.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that the University will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and Education Code do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision that a financial institution must secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. This risk is mitigated in that the University’s deposits are maintained at financial institutions that are fully insured or collateralized as required by state law.

(b) Investments

At June 30, 2012, the University’s investment portfolio consists primarily of investments in the State of California Surplus Money Investment Fund (SMIF) and the CSU Consolidated Investment Pool. For the CSU Consolidated Investment Pool, separate accounting is maintained as to the amounts allocable to the various CSU funds and programs.

Investment Policy

State law and regulations require that surplus monies of the University must be invested. The primary objective of the University’s investment policy is to safeguard the principal. The secondary objective is to meet the liquidity needs of the University. The third objective is to return an acceptable yield. The University’s investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized
by Government Code Section 16430 and Education Code Section 89724, subject to certain limitations. In general, the University’s investment policy permits investments in obligations of the federal and California state governments, certificates of deposit, high grade corporate and fixed income securities, and certain other investment instruments.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The University has formal duration guidelines to manage its interest rate risk. The duration guidelines include limits on the maximum maturity of any individual investment in the portfolio and average duration of the investment portfolio. One of the ways that the University manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The University identifies and manages the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Weighted average maturity is based on the stated maturity date, assuming that the callable investments will not be called. The weighted average maturity of the University’s investment portfolio for each investment type as of June 30, 2012 is presented in the table on the following page.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.
The following table presents the fair value, weighted average maturity, and actual rating by investment type of the University’s allocated share of the CSU Consolidated Investment Pool and the SMIF as of June 30, 2012:

<table>
<thead>
<tr>
<th>Investment type</th>
<th>Fair value</th>
<th>Weighted average maturity (in years)</th>
<th>AAA</th>
<th>AA</th>
<th>A</th>
<th>BBB</th>
<th>BB</th>
<th>Not rated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>$11,369,000</td>
<td>0.03</td>
<td>$393,000</td>
<td>—</td>
<td>3,244,000</td>
<td>—</td>
<td>—</td>
<td>7,732,000</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>12,407,000</td>
<td>0.01</td>
<td>—</td>
<td>—</td>
<td>12,407,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>139,793,000</td>
<td>0.61</td>
<td>—</td>
<td>63,564,000</td>
<td>76,229,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>11,843,000</td>
<td>0.23</td>
<td>—</td>
<td>—</td>
<td>11,843,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>U.S. agency securities</td>
<td>701,791,000</td>
<td>1.81</td>
<td>—</td>
<td>696,347,000</td>
<td>5,444,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State of California Local Agency</td>
<td>6,000</td>
<td>0.74</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,000</td>
</tr>
<tr>
<td>State of California Surplus Money</td>
<td>557,193,000</td>
<td>0.74</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>557,193,000</td>
</tr>
<tr>
<td>State of California State Agency</td>
<td>691,356,000</td>
<td>0.82</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>691,356,000</td>
</tr>
<tr>
<td>Corporate and fixed income securities</td>
<td>592,891,000</td>
<td>2.02</td>
<td>83,249,000</td>
<td>168,184,000</td>
<td>335,011,000</td>
<td>5,876,000</td>
<td>571,000</td>
<td>—</td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>363,445,000</td>
<td>1.81</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>363,445,000</td>
</tr>
<tr>
<td>Municipal securities</td>
<td>19,232,000</td>
<td>3.52</td>
<td>—</td>
<td>17,668,000</td>
<td>1,564,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mortgage-backed securities</td>
<td>27,122,000</td>
<td>17.69</td>
<td>2,150,000</td>
<td>22,435,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2,537,000</td>
</tr>
<tr>
<td>Total</td>
<td>$3,128,448,000</td>
<td>$85,792,000</td>
<td>968,198,000</td>
<td>445,742,000</td>
<td>5,876,000</td>
<td>571,000</td>
<td>1,622,269,000</td>
<td></td>
</tr>
</tbody>
</table>

Concentration of Credit Risk

The University’s investment policy contains no limitations on the amount that can be invested in any one issuer beyond what is stipulated by the California Government Code. As of June 30, 2012, the following investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of the University’s investment portfolio: Federal Home Loan Bank notes ($231,255,000 or 7.4%) and Federal National Mortgage Association notes ($211,831,000 or 6.8%).

Risk and Uncertainties

The University may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets.

The University, through the CSU Consolidated Investment Pool, invests in securities with contractual cash flows, such as asset-backed securities and mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions,
including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market’s perception of the issuers and changes in interest rates.

**Auxiliary Organizations’ Investments**

Investments of the discretely presented auxiliary organizations at fair value consisted of the following at June 30, 2012:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Noncurrent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of California Local Agency Investment Fund</td>
<td>$178,893,000</td>
<td>6,538,000</td>
<td>185,431,000</td>
</tr>
<tr>
<td>U.S. Bank SWIFT pool</td>
<td>25,749,000</td>
<td>2,168,000</td>
<td>27,917,000</td>
</tr>
<tr>
<td>Common Fund</td>
<td>1,601,000</td>
<td>16,845,000</td>
<td>18,446,000</td>
</tr>
<tr>
<td>Debt securities</td>
<td>9,837,000</td>
<td>129,438,000</td>
<td>139,275,000</td>
</tr>
<tr>
<td>Equity securities</td>
<td>51,057,000</td>
<td>280,714,000</td>
<td>331,771,000</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>32,234,000</td>
<td>110,717,000</td>
<td>142,951,000</td>
</tr>
<tr>
<td>Real estate</td>
<td>—</td>
<td>20,029,000</td>
<td>20,029,000</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>40,673,000</td>
<td>30,697,000</td>
<td>71,370,000</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>7,347,000</td>
<td>5,171,000</td>
<td>12,518,000</td>
</tr>
<tr>
<td>Money market funds</td>
<td>8,465,000</td>
<td>5,613,000</td>
<td>14,078,000</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>88,783,000</td>
<td>503,270,000</td>
<td>592,053,000</td>
</tr>
<tr>
<td>Partnership interests</td>
<td>—</td>
<td>18,908,000</td>
<td>18,908,000</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>1,227,000</td>
<td>35,364,000</td>
<td>36,591,000</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>732,000</td>
<td>12,733,000</td>
<td>13,465,000</td>
</tr>
<tr>
<td>Other</td>
<td>36,957,000</td>
<td>70,463,000</td>
<td>107,420,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$483,555,000</td>
<td>1,248,668,000</td>
<td>1,732,223,000</td>
</tr>
</tbody>
</table>

For additional information regarding the investments of the individual discretely presented auxiliary organizations, refer to their separately issued financial statements.

Approximately $4.2 million of the investments reported by the University in the statement of net assets at June 30, 2012 is invested under contractual agreements on behalf of the auxiliary organizations of the University.
CALIFORNIA STATE UNIVERSITY
Notes to Financial Statements
June 30, 2012

(4) Accounts Receivable

Accounts receivable of the University at June 30, 2012 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Noncurrent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>$85,000</td>
<td>$446,644,000</td>
<td>$446,729,000</td>
</tr>
<tr>
<td>Auxiliary organizations</td>
<td>32,607,000</td>
<td>3,843,000</td>
<td>36,450,000</td>
</tr>
<tr>
<td>Student accounts</td>
<td>53,761,000</td>
<td>1,000</td>
<td>53,762,000</td>
</tr>
<tr>
<td>Government grants and contracts</td>
<td>25,488,000</td>
<td>—</td>
<td>25,488,000</td>
</tr>
<tr>
<td>Other</td>
<td>53,985,000</td>
<td>1,247,000</td>
<td>55,232,000</td>
</tr>
<tr>
<td></td>
<td>165,926,000</td>
<td>451,735,000</td>
<td>617,661,000</td>
</tr>
<tr>
<td>Less allowance for doubtful accounts</td>
<td>(22,784,000)</td>
<td>—</td>
<td>(22,784,000)</td>
</tr>
<tr>
<td>Total</td>
<td>$143,142,000</td>
<td>451,735,000</td>
<td>594,877,000</td>
</tr>
</tbody>
</table>

(5) Leases Receivable

The University has entered into capital lease agreements with certain auxiliary organizations to lease existing and newly constructed facilities to the auxiliary organizations. Lease payments are due twice a year on May 1 and November 1.

Under the lease agreements, lease payments are due to the University as follows:

Fiscal year ending:

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$28,315,000</td>
</tr>
<tr>
<td>2014</td>
<td>29,667,000</td>
</tr>
<tr>
<td>2015</td>
<td>29,618,000</td>
</tr>
<tr>
<td>2016</td>
<td>27,001,000</td>
</tr>
<tr>
<td>2017</td>
<td>27,289,000</td>
</tr>
<tr>
<td>2018 – 2022</td>
<td>144,090,000</td>
</tr>
<tr>
<td>2023 – 2027</td>
<td>151,518,000</td>
</tr>
<tr>
<td>2028 – 2032</td>
<td>143,251,000</td>
</tr>
<tr>
<td>2033 – 2037</td>
<td>51,524,000</td>
</tr>
<tr>
<td>2038 – 2042</td>
<td>24,454,000</td>
</tr>
<tr>
<td>2043 – 2046</td>
<td>13,478,000</td>
</tr>
<tr>
<td>Total minimum lease payments to be received</td>
<td>$670,205,000</td>
</tr>
<tr>
<td>Less amounts representing interest</td>
<td>(277,134,000)</td>
</tr>
<tr>
<td>Present value of future minimum lease payments to be received</td>
<td>393,071,000</td>
</tr>
<tr>
<td>Less current portion</td>
<td>(9,216,000)</td>
</tr>
<tr>
<td>Long-term lease receivable, net of current portion</td>
<td>$383,855,000</td>
</tr>
</tbody>
</table>

(Continued)
(6) **Notes Receivable**

The University has entered into note agreements with certain auxiliary organizations to finance existing and newly constructed facilities for the auxiliary organizations. Note payments are due twice a year, on May 1 and November 1.

Under the note agreements, note payments are due to the University as follows:

<table>
<thead>
<tr>
<th>Fiscal year ending:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$17,667,000</td>
</tr>
<tr>
<td>2014</td>
<td>24,108,000</td>
</tr>
<tr>
<td>2015</td>
<td>16,505,000</td>
</tr>
<tr>
<td>2016</td>
<td>16,482,000</td>
</tr>
<tr>
<td>2017</td>
<td>16,820,000</td>
</tr>
<tr>
<td>2018 – 2022</td>
<td>94,593,000</td>
</tr>
<tr>
<td>2023 – 2027</td>
<td>76,680,000</td>
</tr>
<tr>
<td>2028 – 2032</td>
<td>69,933,000</td>
</tr>
<tr>
<td>2033 – 2037</td>
<td>46,008,000</td>
</tr>
<tr>
<td>2038 – 2042</td>
<td>17,980,000</td>
</tr>
<tr>
<td><strong>Total minimum note payments to be received</strong></td>
<td><strong>396,776,000</strong></td>
</tr>
<tr>
<td>Less amounts representing interest</td>
<td><strong>(157,520,000)</strong></td>
</tr>
<tr>
<td>Present value of future minimum note payments to be received</td>
<td><strong>239,256,000</strong></td>
</tr>
<tr>
<td>Less current portion</td>
<td><strong>(6,968,000)</strong></td>
</tr>
<tr>
<td><strong>Long-term notes receivable, net of current portion</strong></td>
<td><strong>$232,288,000</strong></td>
</tr>
</tbody>
</table>
(7) **Capital Assets**

Capital assets activity for the University for the year ended June 30, 2012 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Transfers</th>
<th>Ending balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nondepreciable/nonamortizable capital assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and land improvements</td>
<td>243,476,000</td>
<td>12,573,000</td>
<td></td>
<td>944,000</td>
<td>256,993,000</td>
</tr>
<tr>
<td>Works of art and historical treasures</td>
<td>25,119,000</td>
<td>661,000</td>
<td>(357,000)</td>
<td></td>
<td>25,423,000</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>487,373,000</td>
<td>337,242,000</td>
<td>(3,006,000)</td>
<td>(409,223,000)</td>
<td>412,386,000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,251,000</td>
<td>767,000</td>
<td></td>
<td>(657,000)</td>
<td>1,361,000</td>
</tr>
<tr>
<td><strong>Total nondepreciable/nonamortizable capital assets</strong></td>
<td>757,219,000</td>
<td>351,243,000</td>
<td>(3,363,000)</td>
<td>(408,936,000)</td>
<td>696,163,000</td>
</tr>
</tbody>
</table>

|                          |                   |           |             |           |                |
| **Depreciable/amortizable capital assets:** |                   |           |             |           |                |
| Buildings and building improvements | 9,485,287,000 | 17,108,000 | (2,550,000) | 381,184,000 | 9,881,029,000 |
| Improvements other than buildings | 480,640,000     | 5,408,000  | (925,000)   | 18,433,000 | 503,556,000    |
| Infrastructure | 900,534,000      | 15,500,000 | (140,000)   | 8,097,000  | 923,991,000    |
| **Total depreciable/amortizable capital assets** | 12,236,321,000  | 102,547,000| (35,555,000) | 408,936,000 | 12,712,249,000 |
| **Total cost** | 12,993,540,000 | 453,790,000| (38,918,000) |           | 13,408,412,000 |
| **Less accumulated depreciation/amortization:** |                   |           |             |           |                |
| Buildings and building improvements | (3,682,240,000) | (284,606,000) | 1,870,000        |           | (3,964,976,000) |
| Improvements other than buildings | (338,636,000) | (21,115,000) | 577,000          |           | (359,174,000) |
| Infrastructure | (306,829,000) | (32,582,000) | (320,000)    |           | (339,731,000) |
| **Total accumulated depreciation/amortization** | (5,401,948,000) | (413,519,000) | 30,188,000       |           | (5,785,279,000) |
| **Net capital assets** | $ 7,591,592,000  | 40,271,000 | (8,730,000) |           | 7,623,133,000 |
Capital assets activity of the discretely presented auxiliary organizations of the University for the year ended June 30, 2012 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Transfers</th>
<th>Ending balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nondepreciable/nonamortizable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and land improvements</td>
<td>$94,010,000</td>
<td>1,362,000</td>
<td>(641,000)</td>
<td>156,000</td>
<td>94,887,000</td>
</tr>
<tr>
<td>Works of art and historical</td>
<td>5,620,000</td>
<td>3,209,000</td>
<td>(1,111,000)</td>
<td>—</td>
<td>7,718,000</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>16,211,000</td>
<td>13,683,000</td>
<td>(4,369,000)</td>
<td>(14,363,000)</td>
<td>11,162,000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>5,082,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5,082,000</td>
</tr>
<tr>
<td>**Total nondepreciable/**<strong>nonamortizable capital assets</strong></td>
<td>120,923,000</td>
<td>18,254,000</td>
<td>(6,121,000)</td>
<td>(14,207,000)</td>
<td>118,849,000</td>
</tr>
<tr>
<td><strong>Depreciable/amortizable capital assets</strong></td>
<td>1,111,766,000</td>
<td>27,512,000</td>
<td>(33,182,000)</td>
<td>14,207,000</td>
<td>1,120,303,000</td>
</tr>
<tr>
<td>Buildings and building</td>
<td>737,849,000</td>
<td>11,912,000</td>
<td>(10,911,000)</td>
<td>6,434,000</td>
<td>745,284,000</td>
</tr>
<tr>
<td>improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvements other than</td>
<td>109,101,000</td>
<td>3,910,000</td>
<td>(6,252,000)</td>
<td>2,371,000</td>
<td>109,130,000</td>
</tr>
<tr>
<td>buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>63,431,000</td>
<td>179,000</td>
<td>—</td>
<td>3,860,000</td>
<td>67,470,000</td>
</tr>
<tr>
<td>Personal property:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>193,031,000</td>
<td>11,365,000</td>
<td>(17,941,000)</td>
<td>1,355,000</td>
<td>187,810,000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8,354,000</td>
<td>146,000</td>
<td>1,922,000</td>
<td>187,000</td>
<td>10,609,000</td>
</tr>
<tr>
<td><strong>Total depreciable/amortizable capital assets</strong></td>
<td>1,111,766,000</td>
<td>27,512,000</td>
<td>(33,182,000)</td>
<td>14,207,000</td>
<td>1,120,303,000</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td>1,232,689,000</td>
<td>45,766,000</td>
<td>(39,303,000)</td>
<td>—</td>
<td>1,239,152,000</td>
</tr>
<tr>
<td>Less accumulated depreciation/amortization:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>improvements</td>
<td>(207,154,000)</td>
<td>(25,266,000)</td>
<td>2,791,000</td>
<td>—</td>
<td>(229,629,000)</td>
</tr>
<tr>
<td>Improvements other than</td>
<td>(50,283,000)</td>
<td>(5,290,000)</td>
<td>3,258,000</td>
<td>—</td>
<td>(52,315,000)</td>
</tr>
<tr>
<td>buildings</td>
<td>(10,682,000)</td>
<td>(1,690,000)</td>
<td>—</td>
<td>—</td>
<td>(12,372,000)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal property:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>(142,746,000)</td>
<td>(13,100,000)</td>
<td>12,494,000</td>
<td>—</td>
<td>(143,352,000)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(4,948,000)</td>
<td>(865,000)</td>
<td>(1,211,000)</td>
<td>—</td>
<td>(7,024,000)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation/amortization</strong></td>
<td>(415,813,000)</td>
<td>(46,211,000)</td>
<td>17,332,000</td>
<td>—</td>
<td>(444,692,000)</td>
</tr>
<tr>
<td><strong>Net capital assets</strong></td>
<td>$816,876,000</td>
<td>(445,000)</td>
<td>(21,971,000)</td>
<td>—</td>
<td>794,460,000</td>
</tr>
</tbody>
</table>
For additional information regarding the capital assets of the individual discretely presented auxiliary organizations of the University, refer to their separately issued financial statements.

(8) Lease Obligations

The University is obligated under various capital and operating leases and installment purchase agreements for the acquisition of equipment and facility rentals. A substantial amount of the capital leases is a result of the University’s participation with the State in the SPWB Lease Revenue Bond program. The University has participated in this program since 1986 in connection with the construction of campus facilities and related equipment. Current California law permits SPWB to authorize the sale of bonds to construct certain state facilities if there is a revenue stream that can be pledged to repay the obligations. The process in general is described in brief as follows:

- The University and the State of California Department of Finance agree to the construction of one or more facilities to be funded by SPWB bonds. The projects are approved as part of the University’s capital outlay budget.
- The SPWB approves the sale of bonds for the project(s) and the University agrees to execute certain legal documents in connection with the financing, including a site lease to the SPWB, a construction agreement to construct the facility for the SPWB, and a facility lease to lease the completed facility from the SPWB for annual rental payments.
- Prior to the execution of the facility lease, the University receives a short-term loan from the State of California Pooled Money Investment Board to provide working capital for initial phases of the construction and in some cases the entire construction.
- Generally, during the construction phase of the project, the bonds are sold by the SPWB, the construction loan is repaid, and site leases and facility leases are executed requiring semiannual lease payments, beginning upon completion of the facilities, by the Trustees that are used to pay principal and interest on the bonds.
- As part of the annual budget process, the State of California Department of Finance augments the University’s operating budget to provide additional funds for the required lease payments.

As of June 30, 2012, the State appropriated $201.2 million for future lease obligations to the SPWB. Because lease agreements had not been executed as of this date, the amount appropriated was recorded in noncurrent other liabilities. Upon execution of the agreements, the $201.2 million will be reclassified to lease obligations.

The University also enters into capital leases with financial institutions and via commercial paper issued by the California State University Institute (the Institute).

Overall capital leases consist primarily of leases of campus facilities, but also include certain computer, energy efficiency, and telecommunications equipment. Total assets related to capital leases have a carrying value of $704,988,000 at June 30, 2012. The leases bear interest at rates ranging from 1.0% to 19.0% and have terms expiring in various years through 2041.

Operating leases consist primarily of leases for the use of real property. The University’s operating leases expire in various fiscal years through 2099. The leases can be canceled if the State does not provide
adequate funding. Some of these leases are with related auxiliary organizations for the rental of office space used in the operations of the University. Total operating lease expenditures for the year ended June 30, 2012 were $23,437,000 of which $10,644,000 was paid to related auxiliary organizations.

Future minimum lease payments under capital and operating leases having remaining terms in excess of one year as of June 30, 2012 are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30:</th>
<th>Capital leases</th>
<th>Operating leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$111,130,000</td>
<td>18,722,000</td>
</tr>
<tr>
<td>2014</td>
<td>116,492,000</td>
<td>15,160,000</td>
</tr>
<tr>
<td>2015</td>
<td>114,362,000</td>
<td>11,059,000</td>
</tr>
<tr>
<td>2016</td>
<td>109,727,000</td>
<td>10,110,000</td>
</tr>
<tr>
<td>2017</td>
<td>103,151,000</td>
<td>9,597,000</td>
</tr>
<tr>
<td>2018 – 2022</td>
<td>374,710,000</td>
<td>32,023,000</td>
</tr>
<tr>
<td>2023 – 2027</td>
<td>266,741,000</td>
<td>3,760,000</td>
</tr>
<tr>
<td>2028 – 2032</td>
<td>251,742,000</td>
<td>3,422,000</td>
</tr>
<tr>
<td>2033 – 2037</td>
<td>107,006,000</td>
<td>2,962,000</td>
</tr>
<tr>
<td>2038 – 2042</td>
<td>10,359,000</td>
<td>1,979,000</td>
</tr>
<tr>
<td>2043 – 2047</td>
<td>—</td>
<td>397,000</td>
</tr>
<tr>
<td>2048 – 2052</td>
<td>—</td>
<td>324,000</td>
</tr>
<tr>
<td>2053 – 2057</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2058 – 2062</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2063 – 2067</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2068 – 2072</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2073 – 2077</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2078 – 2082</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2083 – 2087</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2088 – 2092</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2093 – 2097</td>
<td>—</td>
<td>33,000</td>
</tr>
<tr>
<td>2098 – 2099</td>
<td>—</td>
<td>6,000</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>1,565,420,000</td>
<td>$109,818,000</td>
</tr>
<tr>
<td>Less amount representing interest</td>
<td>(579,899,000)</td>
<td></td>
</tr>
<tr>
<td>Present value of future minimum lease payments</td>
<td>985,521,000</td>
<td></td>
</tr>
<tr>
<td>Unamortized premium</td>
<td>5,386,000</td>
<td></td>
</tr>
<tr>
<td>Unamortized loss on refundings</td>
<td>(1,205,000)</td>
<td></td>
</tr>
<tr>
<td>Total capital lease obligation</td>
<td>989,702,000</td>
<td></td>
</tr>
<tr>
<td>Less current portion</td>
<td>(59,662,000)</td>
<td></td>
</tr>
<tr>
<td>Capital lease obligation, net of current portion</td>
<td>$930,040,000</td>
<td></td>
</tr>
</tbody>
</table>
(9) Long-Term Debt Obligations

(a) General Obligation Bond Program

The General Obligation Bond program of the State has provided capital outlay funds for the three
segments of California Higher Education through voter-approved bonds. Each of the approved bond
programs provides a pool of available funds, which is allocated on a project-by-project basis among
the University, the University of California, and the Community Colleges. Financing provided to the
University through State of California General Obligation Bonds is not allocated to the University by
the State. This debt remains the obligation of the State and is funded by state tax revenues. Accordingly, such debt is not reflected in the accompanying financial statements. The total General
Obligation Bond debt carried by the State related to the University projects is approximately
$2,745,965,000 as of June 30, 2012.

(b) Revenue Bond Programs

The Revenue Bond Act of 1947 provides the Trustees with the ability to issue revenue bonds to fund
specific self-supporting programs. The statute has enabled the Trustees to finance student housing,
student unions, parking facilities, health facilities, continuing education facilities, and designated
auxiliary organization facilities.

The housing program provides on-campus housing primarily for students. Housing is a
self-supporting program deriving its revenues from fees collected for the use of the residence
facilities and from interest income. Funds are used for current operating expenses, maintenance and
repair, improvements to facilities, and interest and principal payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for
future program expenses and capital needs.

The student union program provides facilities and programs aimed at creating and enhancing
learning experiences outside the classroom by promoting interaction among students, faculty, and
staff. The student union program is self-supporting and derives its revenues primarily from student
fees and from interest income. Funds are used for maintenance and repair, improvements to facilities,
and interest and principal payments on outstanding bonds. After payment of all authorized charges,
the balances of these funds are available and can be transferred to a campus auxiliary organization
that would have a contract with the University to operate the facility. The operating entity may
derive additional revenue from facility subrental, recreational and commercial activities, and interest
income.

The parking program provides parking facilities. The parking program is self-supporting and derives
its revenues primarily from student fees and from interest income. Funds are used for construction,
repair and maintenance, and principal and interest payments on outstanding bonds. Available
balances after payment of all operating expenses and required charges remain available for future
program expenses and capital needs.

The health facilities program provides facilities on campus in which to provide health services to
students. The health facilities program derives its revenues primarily from student fees and from
interest income. Funds are used for current operating expenses, maintenance and repair,
improvements to facilities, and interest and principal payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for future program expenses and capital needs.

The continuing education program provides nonstate-supported courses to students. The continuing education program is self-supporting and derives its revenues primarily from student fees and from interest income. Funds are used for current operating expenses, maintenance and repair, improvements to facilities, and interest and principal payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for future program expenses and capital needs.

Designated auxiliary organization programs provide for certain additional facilities on campuses for the benefit of students and staff. Funds received by the University from designated auxiliary organizations are used to pay principal and interest payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for future program expenses and capital needs.

The Systemwide Revenue Bond program, formerly the Housing Revenue Bond program, was approved by the Board of Trustees in fiscal year 2003. This program provides funding for various construction projects, including student residence and dining halls facilities, continuing education buildings, student unions, parking facilities, health facilities, and auxiliary organization facilities at designated campuses within the system as specified by the individual bond documents. It is designed to provide lower cost debt and greater flexibility to finance revenue bond projects at the University. Rather than relying on specific pledged revenues to support specific debt obligations, this program pools several sources of revenue as the pledge for the revenue-producing projects. The University’s total outstanding balance of revenue bond indebtedness under the Systemwide Revenue Bond program was $3,542,648,000 at June 30, 2012.

The University has pledged future continuing education, healthcare facilities, housing, parking, and student union revenues plus designated auxiliary revenues, net of maintenance and operation expenses before extraordinary items (net income available for debt service), to repay $4,048,568,000 in Systemwide Revenue Bonds issued through fiscal year 2012. The bonds are payable solely from continuing education, healthcare facilities, housing, parking, and student union, and designated auxiliary net income available for debt service and are payable through fiscal year 2045. The Systemwide Revenue Bond indenture requires net income available for debt service to be at least equal to aggregate debt service for all bond indebtedness each fiscal year. The total debt service remaining to be paid on the bonds for the University is $6,258,938,871. In fiscal year 2012, total debt service paid and net income available for debt service, which excluded the designated auxiliary net income, for the University were $237,129,000 and $311,609,000, respectively.

(c) Bond Anticipation Notes (BANs)

The Trustees have authorized the issuance of BANs to provide short-term financing to the University System for certain projects. The BANs are purchased by the California State University Institute, a discretely presented component unit, with proceeds from the commercial paper issued by the Institute. The BANs are generally issued for periods of up to three years in anticipation of issuing permanent revenue bonds at a future date. State law was amended in 2008 to allow BAN maturities
to extend beyond three years and the maturity date for the issuance of BANs to be determined by the Trustees. In fiscal year 2010, the Trustees authorized three projects for financing with maturities beyond three years and they will remain in BANs until the debt is retired. BAN interest is variable and changes based upon the cost of the Institute’s commercial paper program. The maximum and minimum weighted average interest rates for the year ended June 30, 2012 were 0.14% and 0.24%, respectively. Amounts outstanding under the BANs totaled $38,542,000 at June 30, 2012. The not-to-exceed amounts related to the outstanding amounts totaled $236,075,000 of which $125,604,000 has not been issued and $71,931,000 has been issued and paid back.
Long-term debt obligations of the University as of June 30, 2012 consisted of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Interest rate percentage</th>
<th>Final maturity date</th>
<th>Original issue amount</th>
<th>Amount outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Series J – Y</td>
<td>3.00</td>
<td>2013/14 – 2021/22</td>
<td>$ 18,913,000</td>
<td>7,313,000</td>
</tr>
<tr>
<td>Series 2002A</td>
<td>4.25 – 5.50</td>
<td>2012/13 – 2033/34</td>
<td>174,750,000</td>
<td>56,535,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2003A</td>
<td>3.50 – 5.00</td>
<td>2033/34 – 2035/36</td>
<td>320,040,000</td>
<td>184,185,000</td>
</tr>
<tr>
<td>Series 2004A</td>
<td>3.13 – 5.25</td>
<td>2018/19 – 2034/35</td>
<td>158,010,000</td>
<td>125,445,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2005A</td>
<td>3.50 – 5.00</td>
<td>2013/14 – 2037/38</td>
<td>667,105,000</td>
<td>600,765,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2005B</td>
<td>5.00</td>
<td>2015/16 – 2021/22</td>
<td>134,805,000</td>
<td>79,965,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2005C</td>
<td>3.25 – 5.25</td>
<td>2017/18 – 2038/39</td>
<td>540,900,000</td>
<td>506,580,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2007A</td>
<td>4.00 – 5.00</td>
<td>2024/25 – 2044/45</td>
<td>254,770,000</td>
<td>246,220,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2007B</td>
<td>5.27 – 5.55</td>
<td>2027/28 – 2037/38</td>
<td>13,165,000</td>
<td>12,035,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2007C</td>
<td>5.00</td>
<td>2020/21 – 2028/29</td>
<td>63,275,000</td>
<td>55,425,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2007D</td>
<td>4.00 – 5.00</td>
<td>2037/38</td>
<td>80,360,000</td>
<td>75,690,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2008A</td>
<td>3.50 – 5.00</td>
<td>2022/23 – 2039/40</td>
<td>375,160,000</td>
<td>357,675,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2009A</td>
<td>3.00 – 6.00</td>
<td>2015/16 – 2040/41</td>
<td>465,365,000</td>
<td>458,230,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2010A</td>
<td>1.00 – 5.00</td>
<td>2019/20 – 2031/32</td>
<td>146,950,000</td>
<td>141,585,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2010B</td>
<td>5.45 – 6.48</td>
<td>2035/36 – 2041/42</td>
<td>205,145,000</td>
<td>205,145,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2011A</td>
<td>0.55 – 5.25</td>
<td>2020/21 – 2042/43</td>
<td>429,855,000</td>
<td>429,855,000</td>
</tr>
<tr>
<td>Bond Anticipation Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(note 9(c))</td>
<td>Variable</td>
<td>2014/15 – 2019/20</td>
<td>48,714,000</td>
<td>38,542,000</td>
</tr>
<tr>
<td>Other</td>
<td>Variable</td>
<td>Various</td>
<td>117,561,000</td>
<td>75,908,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$ 4,214,843,000</td>
<td>3,657,098,000</td>
</tr>
<tr>
<td>Unamortized bond premium/discount</td>
<td></td>
<td></td>
<td>79,325,000</td>
<td></td>
</tr>
<tr>
<td>Unamortized loss on refundings</td>
<td></td>
<td></td>
<td>(26,443,000)</td>
<td></td>
</tr>
<tr>
<td>Total long-term debt</td>
<td></td>
<td></td>
<td>3,709,980,000</td>
<td></td>
</tr>
<tr>
<td>Less current portion</td>
<td></td>
<td></td>
<td>(110,097,000)</td>
<td></td>
</tr>
<tr>
<td>Long-term debt, net of current portion</td>
<td></td>
<td></td>
<td>$ 3,599,883,000</td>
<td></td>
</tr>
</tbody>
</table>
Long-term debt principal and interest are payable and mature in the following fiscal years:

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$110,097,000</td>
<td>179,112,000</td>
</tr>
<tr>
<td>2014</td>
<td>92,755,000</td>
<td>175,468,000</td>
</tr>
<tr>
<td>2015</td>
<td>106,677,000</td>
<td>171,214,000</td>
</tr>
<tr>
<td>2016</td>
<td>104,592,000</td>
<td>166,394,000</td>
</tr>
<tr>
<td>2017</td>
<td>111,603,000</td>
<td>161,336,000</td>
</tr>
<tr>
<td>2018-22</td>
<td>620,824,000</td>
<td>719,377,000</td>
</tr>
<tr>
<td>2023-27</td>
<td>678,875,000</td>
<td>562,418,000</td>
</tr>
<tr>
<td>2028-32</td>
<td>785,910,000</td>
<td>376,472,000</td>
</tr>
<tr>
<td>2033-37</td>
<td>671,505,000</td>
<td>179,482,000</td>
</tr>
<tr>
<td>2038-42</td>
<td>323,325,000</td>
<td>39,648,000</td>
</tr>
<tr>
<td>2043-47</td>
<td>44,210,000</td>
<td>4,447,000</td>
</tr>
<tr>
<td>2048-52</td>
<td>6,725,000</td>
<td>622,000</td>
</tr>
<tr>
<td></td>
<td><strong>$3,657,098,000</strong></td>
<td><strong>2,735,990,000</strong></td>
</tr>
</tbody>
</table>

Long-term debt obligations of the individual discretely presented auxiliary organizations have been issued to purchase or construct facilities for University-related uses. For additional information regarding long-term debt obligations of the individual discretely presented auxiliary organizations, refer to their separately issued financial statements.

(10) Advanced Refundings

Current Year Refundings

In September 2011, the University partially defeased certain (Series 2002A and 2003A) Systemwide Revenue Bonds by placing a portion of the proceeds from the issuance of the Systemwide Revenue Bonds Series 2011A refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. The proceeds from the Series 2011A refunding bonds were used to purchase U.S. federal, state, and local government securities that were placed in escrow accounts. The investments and fixed earnings from the investments are considered sufficient to fully service the defeased debt until the debt is called or matured. These transactions will reduce the University’s total financing cost by approximately $21,545,000 over the life of the bonds. The economic gain (difference between net present values of the debt service payments on the old debt and new debt) from these transactions was approximately $18,609,000. Accordingly, the refunded bonds have been considered defeased and, therefore, removed as a liability from the accompanying financial statements. The amount of defeased bonds outstanding related to this refunding as of June 30, 2012 totaled $201,850,000.

The accompanying financial statements include a total loss on bond refundings of $15,478,000. The loss represents the difference between the proceeds of the new bond issue, as adjusted for premium or discount, and the principal amounts of the bonds being defeased. The loss is being amortized over the life of the new bonds.
Prior Years Refundings

In prior years, the University defeased certain Systemwide Revenue Bonds (Series 2003A) by placing the proceeds from the issuance of the Systemwide Revenue Bonds Series 2005C refunding bonds in an irrevocable trust with the State Treasurer to provide for all future debt service payments on the refunded bonds. The proceeds from the refunding bonds were used to purchase U.S. government securities that were placed in the State University Trust Fund. The investments and fixed earnings from the investments are considered sufficient to fully service the defeased debt until the debt is called or matured. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the University’s financial statements. The amount of prior years’ defeased bonds outstanding as of June 30, 2012 totaled $1,955,000.

(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2012 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending balance</th>
<th>Current portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued compensated absences</td>
<td>$205,982,000</td>
<td>127,021,000</td>
<td>(130,191,000)</td>
<td>202,812,000</td>
<td>114,926,000</td>
</tr>
<tr>
<td>Self-insurance claims liability (note 13)</td>
<td>88,241,000</td>
<td>18,258,000</td>
<td>(30,210,000)</td>
<td>76,289,000</td>
<td>22,731,000</td>
</tr>
<tr>
<td>Capitalized lease obligations (note 8)</td>
<td>943,046,000</td>
<td>106,359,000</td>
<td>(59,703,000)</td>
<td>989,702,000</td>
<td>59,662,000</td>
</tr>
<tr>
<td>Total long-term debt obligations (note 9): Systemwide revenue bonds</td>
<td>3,381,618,000</td>
<td>429,855,000</td>
<td>(268,825,000)</td>
<td>3,542,648,000</td>
<td>79,475,000</td>
</tr>
<tr>
<td>Bond anticipation notes</td>
<td>85,396,000</td>
<td>29,059,000</td>
<td>(75,913,000)</td>
<td>38,542,000</td>
<td>21,820,000</td>
</tr>
<tr>
<td>Other</td>
<td>82,419,000</td>
<td>8,162,000</td>
<td>(14,673,000)</td>
<td>75,908,000</td>
<td>8,802,000</td>
</tr>
<tr>
<td>Unamortized bond premium</td>
<td>46,365,000</td>
<td>38,013,000</td>
<td>(5,053,000)</td>
<td>79,325,000</td>
<td>—</td>
</tr>
<tr>
<td>Unamortized loss on refundings (12,891,000)</td>
<td>(15,478,000)</td>
<td>1,926,000</td>
<td>(26,443,000)</td>
<td>3,709,980,000</td>
<td>110,097,000</td>
</tr>
<tr>
<td>Total long-term debt obligations</td>
<td>3,582,907,000</td>
<td>489,611,000</td>
<td>(362,538,000)</td>
<td>3,709,980,000</td>
<td>110,097,000</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>$4,820,176,000</td>
<td>741,249,000</td>
<td>(582,642,000)</td>
<td>4,978,783,000</td>
<td>307,416,000</td>
</tr>
</tbody>
</table>
CALIFORNIA STATE UNIVERSITY
Notes to Financial Statements
June 30, 2012

Long-term liabilities activity of the individual discretely presented auxiliary organizations of the University for the year ended June 30, 2012 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending balance</th>
<th>Current portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued compensated absences</td>
<td>$ 17,349,000</td>
<td>11,231,000</td>
<td>(11,303,000)</td>
<td>17,277,000</td>
<td>13,884,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>2,930,000</td>
<td>18,000</td>
<td>—</td>
<td>2,948,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Capitalized lease obligations</td>
<td>368,277,000</td>
<td>2,816,000</td>
<td>(7,828,000)</td>
<td>363,265,000</td>
<td>8,549,000</td>
</tr>
<tr>
<td>Long-term debt obligations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue bonds</td>
<td>315,006,000</td>
<td>31,635,000</td>
<td>(15,471,000)</td>
<td>331,170,000</td>
<td>71,790,000</td>
</tr>
<tr>
<td>Other bonds</td>
<td>185,000</td>
<td>—</td>
<td>(185,000)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>183,366,000</td>
<td>510,598,000</td>
<td>(601,383,000)</td>
<td>92,581,000</td>
<td>35,970,000</td>
</tr>
<tr>
<td>Other</td>
<td>118,378,000</td>
<td>52,000</td>
<td>(6,014,000)</td>
<td>112,416,000</td>
<td>3,079,000</td>
</tr>
<tr>
<td></td>
<td>616,935,000</td>
<td>542,285,000</td>
<td>(623,053,000)</td>
<td>536,167,000</td>
<td>110,839,000</td>
</tr>
<tr>
<td>Unamortized bond premium</td>
<td>5,513,000</td>
<td>2,800,000</td>
<td>(303,000)</td>
<td>8,010,000</td>
<td>—</td>
</tr>
<tr>
<td>Unamortized loss on refundings</td>
<td>(4,901,000)</td>
<td>—</td>
<td>237,000</td>
<td>(4,664,000)</td>
<td>—</td>
</tr>
<tr>
<td>Total long-term debt obligations</td>
<td>617,547,000</td>
<td>545,085,000</td>
<td>(623,119,000)</td>
<td>539,513,000</td>
<td>110,839,000</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>$ 1,006,103,000</td>
<td>559,150,000</td>
<td>(642,250,000)</td>
<td>923,003,000</td>
<td>133,287,000</td>
</tr>
</tbody>
</table>

For additional information regarding the long-term liabilities of the individual discretely presented auxiliary organizations of the University, refer to their separately issued financial statements.

(12) Pension Plan and Postretirement Benefits

(a) Pension Plan

Plan Description

The University, as an agency of the State, contributes to the CalPERS. The State’s plan with CalPERS is an agent multiple-employer defined benefit pension plan and CalPERS functions as an investment and administrative agent for its members. For the University, the plan acts as a cost-sharing multiple-employer defined benefit plan, which provides a defined benefit pension and postretirement program for substantially all eligible University employees. The plan also provides survivor, death, and disability benefits. Eligible employees are covered by the Public Employees’ Medical and Hospital Care Act (PEMHCA) for medical benefits.

CalPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the California Public Employees’ Retirement System Executive Office, 400 P Street, Sacramento, CA 95814.
Funding Policy

University personnel are required to contribute 5% of their annual earnings in excess of $513 per month to CalPERS. The University is required to contribute at an actuarially determined rate; the current rate is approximately 19.7% of annual covered payroll. The contribution requirements of the plan members are established and may be amended by CalPERS. There is no contractual maximum contribution required for the University by CalPERS.

The University’s contributions to CalPERS for the most recent three fiscal years were equal to the required contributions and were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$369,417,000</td>
</tr>
<tr>
<td>2011</td>
<td>423,818,000</td>
</tr>
<tr>
<td>2012</td>
<td>411,926,000</td>
</tr>
</tbody>
</table>

(b) Postretirement Healthcare Plan

The GASB has issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, Relating to Other Postemployment Benefits (OPEB), which is effective July 1, 2007. Under this statement, public employers sponsoring and subsidizing retiree healthcare benefit programs are required to recognize the cost of such benefits on an accrual basis.

Plan Description

The State provides retiree healthcare benefits to statewide employees, including the University employees, through the programs administered by CalPERS. The State’s substantive plan represents a substantive single-employer defined benefit OPEB Plan, which includes medical and prescription drug benefits (collectively, healthcare benefits) to the retired University employees. The University provides dental benefits to eligible University’s retirees. Eligible retirees receive healthcare and dental benefits upon retirement at age 50 with 5 years of service credit.

For healthcare benefits, CalPERS offers Preferred Provider Organizations (PPOs), Health Maintenance Organizations (HMOs), and Exclusive Provider Organizations (EPOs) (limited to members in certain California counties); for dental benefits, a Dental Maintenance Organization (DMO) and dental indemnity plans to the University’s retirees. Health plans offered, covered benefits, monthly rates, and copayments are determined by the CalPERS Board, which reviews health plan contracts annually.

The contribution requirements of retirees and the State are established and may be amended by the State legislature. For healthcare benefits, the State makes a contribution toward the retiree’s monthly health premiums, with the retirees covering the difference between the State’s contribution and the actual healthcare premium amount. The State contribution is normally established through collective bargaining agreements. No retiree contribution is required for dental benefits.
Funding Policy

For healthcare benefits, responsibility for funding the cost of the employer share of premiums is apportioned between the State and the University based on “billable” and “nonbillable” accounts. Billable accounts have special revenue sources such as fees, licenses, penalties, assessments, and interest, which offset the costs incurred by a State department during the year. The University reimburses the State for retiree’s health benefit costs allocated to billable accounts but not for costs allocated to nonbillable accounts. The University is responsible for funding the costs of the billable accounts on a pay-as-you-go basis as part of the statewide general administrative costs charged to the University.

The State is responsible for funding the cost of the employer share of healthcare premiums of retirees for all nonbillable accounts.

The University is responsible for funding the cost of dental benefits for all University retirees. The University makes payments directly to Delta Dental for the retiree’s monthly dental premiums. The University is funding these benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the total annual required contribution (ARC) for the University’s allocated portion of the postretirement healthcare plan, the amount contributed to the plan by the University, and changes in the University’s net OPEB obligation (NOO) for the fiscal year ended 2012:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution (ARC):</td>
<td></td>
</tr>
<tr>
<td>Billable accounts</td>
<td>$ 32,802,001</td>
</tr>
<tr>
<td>Nonbillable accounts (dental only)</td>
<td>39,710,000</td>
</tr>
<tr>
<td>Total ARC</td>
<td>72,512,001</td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
</tr>
<tr>
<td>Billable accounts</td>
<td>(12,385,001)</td>
</tr>
<tr>
<td>Nonbillable accounts (dental only)</td>
<td>(16,085,000)</td>
</tr>
<tr>
<td>Total contributions</td>
<td>(28,470,001)</td>
</tr>
<tr>
<td>Increase in net OPEB obligation (NOO)</td>
<td>$ 44,042,000</td>
</tr>
<tr>
<td>NOO – beginning of year</td>
<td>$ 128,545,000</td>
</tr>
<tr>
<td>NOO – end of year:</td>
<td></td>
</tr>
<tr>
<td>Billable accounts</td>
<td>80,523,000</td>
</tr>
<tr>
<td>Nonbillable accounts (dental only)</td>
<td>92,064,000</td>
</tr>
<tr>
<td>Total NOO</td>
<td>$ 172,587,000</td>
</tr>
</tbody>
</table>

Percentage of annual OPEB cost contributed during the year ended June 30, 2012 39%
Actuarial Methods and Assumptions and Plan Funding Information

As an agency of the State, the University was included in the State’s OPEB actuarial study. The analysis of the statewide ARC by accounts is performed by the State Controller’s Office (SCO) and a portion related to billable accounts is allocated to the University. Since the ARC allocated by the SCO does not provide a breakdown of the ARC for health and dental benefits separately, the ARC for the nonbillable accounts, which related only to dental benefits, was estimated based on dental contributions as a percentage of the total OPEB contributions.

Projections of benefits for financial statement reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the State and the plan members to that point. The actuarial methods and assumptions used are consistent with a long-term perspective. In the June 30, 2011 actuarial valuation, the individual entry age normal cost method was used. The actuarial assumptions included a 4.50% investment rate of return and an annual State healthcare cost trend rate of actual increases for 2012 and 9.00% in 2013, initially, reduced to an ultimate rate of 4.50% after seven years. Both rates included a 3.00% annual inflation assumption. Annual wage inflation is assumed to be 3.25%. The unfunded actuarial accrued liabilities are being amortized as a level percentage of projected payroll on an open basis over a 30-year period.

Funding progress information specifically related to the University’s portion of the statewide OPEB plan is not available. For more details about the actuarial methods and assumptions used by the State as well as the statewide plans’ funding progress and status, refer to the State of California’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ended 2012.

(13) Self-Insurance Claims Liability

The University and certain auxiliary organizations have established CSURMA, a blended component unit of the University, to centrally manage workers’ compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, and other risk-related programs. The liability included in the accompanying financial statements reflects the estimated ultimate cost of settling claims related to events that have occurred on or before June 30, 2012. The liability includes estimated amounts that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not yet been reported. The liability is also reduced by estimated amounts recoverable from the reinsurer that are related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. Although considerable variability is inherent in such estimates, management believes that the liability is a reasonable estimate at June 30, 2012.
Changes in the self-insurance claims liability for the two years ended June 30, 2012 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability at June 30, 2010</td>
<td>$87,309,000</td>
</tr>
<tr>
<td>Incurred claims and changes in estimates</td>
<td>$21,270,000</td>
</tr>
<tr>
<td>Claim payments</td>
<td>$(20,338,000)</td>
</tr>
<tr>
<td><strong>Liability at June 30, 2011</strong></td>
<td>$88,241,000</td>
</tr>
<tr>
<td>Incurred claims and changes in estimates</td>
<td>$18,258,000</td>
</tr>
<tr>
<td>Claim payments</td>
<td>$(30,210,000)</td>
</tr>
<tr>
<td><strong>Long-term liability at June 30, 2012</strong></td>
<td>$76,289,000</td>
</tr>
<tr>
<td>Less current portion</td>
<td>$(22,731,000)</td>
</tr>
<tr>
<td><strong>Long-term liability at June 30, 2012, net of current portion</strong></td>
<td>$53,558,000</td>
</tr>
</tbody>
</table>

For the year ended June 30, 2012, the CSURMA purchased excess insurance to protect the members from catastrophic losses. The CSURMA maintained excess public entity liability insurance coverage provided by School Excess Liability Fund (SELF), a Joint Power Authority, with coverage for individual claims above $5,000,000 and up to $45,000,000 per occurrence until December 2009, Ironshore Specialty Insurance Company and other various insurers with coverage for individual claims above $5,000,000 and up to $200,000,000 per occurrence. The CSURMA purchased excess workers’ compensation insurance provided by the National Union Fire Insurance Company of Pittsburgh, Pennsylvania (Chartis) to statutory limits in excess of the $2,500,000 self-insured retention. For the Auxiliary Organizations’ Risk Management Authority (AORMA) Workers’ Compensation Program, the CSURMA purchased excess workers’ compensation insurance provided by Safety National for fiscal years 2012 and 2011 to statutory limits in excess of $500,000 self-insured retention. There have been no settlements in the most recent three fiscal years that have exceeded insurance limits.

Prior to July 1, 2004, the CSURMA maintained excess workers’ compensation insurance coverage provided by SELF a public entity risk pool. The CSURMA remains liable for assessments from SELF in settlement of claims incurred prior to July 1, 2004. The assessment liability as of June 30, 2012 is $14,102,000.

For the year ended June 30, 2012, the CSURMA entered into a reinsurance contract with Insurance Company of the State of Pennsylvania (Reinsurer). This transaction reinsured the University’s workers’ compensation claims liability for claims incurred within the $25,000,000 self-insured retention during the fiscal year 2012 up to $25,157,000. While such losses are reinsured, the CSURMA will not be relieved of its primary obligations to the policyholder in this reinsurance transaction. The estimated amount that is recoverable from the Reinsurer and that reduces the liabilities as of June 30, 2012 for unpaid claims and claim adjustment expenses is $9,140,000. The CSURMA paid $15,159,000 of reinsurance premium for the fiscal year 2012.

For the year ended June 30, 2012, the CSURMA entered into a reinsurance contract with General Reinsurance Corporation with coverage for AORMA liability individual claims above $350,000 and up to $5,000,000 per occurrence. The CSURMA paid $825,000 of reinsurance premium for this coverage for fiscal year 2012.
(14) Commitments and Contingencies

The State is a defendant in multiple lawsuits involving University matters not covered by the risk pool discussed in note 13. Management of the University is of the opinion that the liabilities, if any, arising from litigation will not have a material effect on the financial position of the University.

Federal grant programs are subject to review by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenditures. Management believes that it has adhered to the terms of its grants and that any disallowed expenditures resulting from such reviews would not have a material effect on the financial position of the University.

Authorized but unexpended expenditures for construction projects as of June 30, 2012 totaled $341,603,000. These expenditures will be funded primarily by State appropriations and bond proceeds.

In order to secure access to natural gas and electricity used for normal operation, the University participates in forward purchase contracts of natural gas and electricity operated by the Department of General Service (DGS) and Shell Energy North America (Shell), respectively. The University’s obligation under these special purchase arrangements requires it to purchase an estimated total of $46,301,000 and $21,495,000 of natural gas and electricity at fixed prices through June 2017 and March 2014, respectively. The University estimates that the special purchase contracts in place represent approximately 51.81% and 13.62% of its total annual natural gas and electricity expenses, respectively.

(15) Classification of Operating Expenses

The University has elected to report operating expenses by functional classification in the statement of revenues, expenses, and changes in net assets, and to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2012, operating expenses by natural classification consisted of the following:

<table>
<thead>
<tr>
<th>Functional classification</th>
<th>Salaries</th>
<th>Benefits</th>
<th>Scholarships and fellowships</th>
<th>Supplies and other services</th>
<th>Depreciation and amortization</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$1,395,699,000</td>
<td>543,127,000</td>
<td>—</td>
<td>158,604,000</td>
<td>—</td>
<td>2,097,430,000</td>
</tr>
<tr>
<td>Research</td>
<td>20,451,000</td>
<td>6,530,000</td>
<td>—</td>
<td>15,816,000</td>
<td>—</td>
<td>42,797,000</td>
</tr>
<tr>
<td>Public service</td>
<td>31,714,000</td>
<td>10,360,000</td>
<td>—</td>
<td>25,343,000</td>
<td>—</td>
<td>67,417,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>312,234,000</td>
<td>131,162,000</td>
<td>—</td>
<td>133,503,000</td>
<td>—</td>
<td>576,899,000</td>
</tr>
<tr>
<td>Student services</td>
<td>326,602,000</td>
<td>141,884,000</td>
<td>—</td>
<td>154,106,000</td>
<td>—</td>
<td>622,592,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>328,069,000</td>
<td>145,423,000</td>
<td>—</td>
<td>139,068,000</td>
<td>—</td>
<td>612,560,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>175,261,000</td>
<td>93,763,000</td>
<td>—</td>
<td>239,992,000</td>
<td>—</td>
<td>509,016,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>—</td>
<td>—</td>
<td>833,400,000</td>
<td>—</td>
<td>—</td>
<td>833,400,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>65,218,000</td>
<td>47,040,000</td>
<td>—</td>
<td>152,605,000</td>
<td>—</td>
<td>264,863,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>413,519,000</td>
<td>413,519,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,655,248,000</td>
<td>1,119,289,000</td>
<td>833,400,000</td>
<td>1,019,037,000</td>
<td>413,519,000</td>
<td>6,040,493,000</td>
</tr>
</tbody>
</table>
(16) Transactions with Related Entities

The University is an agency of the State and receives about 32.5% of total revenues through state appropriations. State appropriations allocated to the University aggregated approximately $2 billion for the year ended June 30, 2012. State appropriations receivable aggregated $446,729,000 at June 30, 2012.

(17) Subsequent Events

In September 2012, a BAN of approximately $14 million was authorized for the Western State University College of Law Acquisition Project at the Fullerton campus. In October 2012, approximately $13.5 million of commercial paper was issued, leaving an unused BAN of $535,000.

In August 2012, the University issued its Systemwide Revenue Bonds Series 2012A and Series 2012B (Taxable) in the amounts of $436,220,000 and $16,700,000, respectively. In addition to providing funding for new projects, proceeds were used to pay off BANs, refund certain maturities of Systemwide Revenue Bonds Series 2002A, 2003A, and 2004A, as well as refund outstanding bond indebtedness issued by auxiliaries.

On November 6, 2012, the citizens of California passed a measure known as Proposition 30. This constitutional amendment increases the sales tax by one-fourth of a cent for four years and increases personal income tax on annual earnings of over $250,000 for seven years. State tax revenues are expected to average $6 billion annually as a result of passage of this measure. A portion of these revenues is allocated to the California State University, thus eliminating the need for the State to reduce the University’s fiscal year 2013 budget. However, a roll back of tuition fees assessed for terms beginning with fall 2012 will be required. The amount to be refunded approximates $132 million, of which $125 million will be recovered from the State in the 2014 fiscal year.
SUPPLEMENTARY SCHEDULES – CAMPUS FINANCIAL INFORMATION
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Statement of Net Assets
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 880,000</td>
<td>1,750,000</td>
<td>2,630,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>57,304,000</td>
<td>812,000</td>
<td>58,116,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,491,000</td>
<td>1,180,000</td>
<td>3,671,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>338,000</td>
<td>338,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>161,000</td>
<td>2,000</td>
<td>163,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>60,836,000</td>
<td>4,082,000</td>
<td>64,918,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>345,000</td>
<td></td>
<td>345,000</td>
</tr>
<tr>
<td>Leases receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td></td>
<td>547,000</td>
<td>547,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,657,000</td>
<td></td>
<td>1,657,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>17,961,000</td>
<td>17,961,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>96,037,000</td>
<td>4,707,000</td>
<td>100,744,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>37,000</td>
<td></td>
<td>37,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>99,058,000</td>
<td>28,586,000</td>
<td>127,644,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>159,894,000</td>
<td>32,668,000</td>
<td>192,562,000</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets    |        |                         |         |
| Current liabilities:          |        |                         |         |
| Accounts payable              | 1,275,000 | 905,000   | 2,180,000 |
| Accrued salaries and benefits payable | 5,516,000 | 137,000   | 5,653,000 |
| Accrued compensated absences – current portion | 2,179,000 | 151,000   | 2,330,000 |
| Deferred revenue              | 868,000  | 488,000    | 1,356,000 |
| Capitalized lease obligations – current portion | 1,045,000 |          | 1,045,000 |
| Long-term debt obligations – current portion | 516,000   | 27,000    | 543,000   |
| Self-insurance claims liability – current portion |      |          |         |
| Depository accounts – current portion | 317,000  |          | 317,000   |
| Other liabilities             | 687,000  | 612,000    | 1,299,000 |
| **Total current liabilities** | 12,403,000 | 2,320,000 | 14,723,000 |
| Noncurrent liabilities:       |        |                         |         |
| Accrued compensated absences, net of current portion | 1,805,000 |          | 1,805,000 |
| Deferred revenue              |        |          |         |
| Grants refundable             | 1,652,000 |          | 1,652,000 |
| Capitalized lease obligations, net of current portion | 3,343,000 |          | 3,343,000 |
| Long-term debt obligations, net of current portion | 22,704,000 | 71,000    | 22,775,000 |
| Self-insurance claims liability, net of current portion |      |          |         |
| Depository accounts           |        |          |         |
| Other postemployment benefits obligation | 1,315,000 | 1,966,000 | 3,281,000 |
| Other liabilities             | 3,000   |            | 3,000    |
| **Total noncurrent liabilities** | 30,822,000 | 2,037,000 | 32,859,000 |
| **Total liabilities**         | 43,225,000 | 4,357,000 | 47,582,000 |

Net assets:
Invested in capital assets, net of related debt | 69,336,000 | 4,609,000 | 73,945,000 |
Restricted for:
Nonexpendable – endowments |          | 14,378,000 | 14,378,000 |
Expendable:
  Scholarships and fellowships | 104,000 | 4,432,000 | 4,536,000 |
  Research                      |          |          |         |
  Loans                         | 353,000  |          | 353,000  |
  Capital projects              | 746,000  |          | 746,000  |
  Debt service                  |          |          |         |
  Other                         | 11,000   | 194,000   | 205,000  |
Unrestricted                   | 46,119,000 | 4,698,000 | 50,817,000 |
**Total net assets**           | $ 116,669,000 | 28,311,000 | 144,980,000 |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Discretely presented component units</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Campus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Student tuition and fees (net of scholarship allowances of $30,183,000)</td>
<td>$24,928,000</td>
<td>4,421,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Federal</td>
<td>3,894,000</td>
<td>5,241,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>State</td>
<td>473,000</td>
<td>323,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Local</td>
<td>177,000</td>
<td>345,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Nongovernmental</td>
<td>437,000</td>
<td>27,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Sales and services of educational activities</td>
<td>482,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $580,000)</td>
<td>6,513,000</td>
<td>167,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Other operating revenues</td>
<td>1,463,000</td>
<td>3,384,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Total operating revenues</td>
<td>38,367,000</td>
<td>13,908,000</td>
<td>—</td>
</tr>
<tr>
<td>Expenses:</td>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Instruction</td>
<td>37,102,000</td>
<td>51,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td>712,000</td>
<td>805,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Public service</td>
<td>153,000</td>
<td>1,587,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Academic support</td>
<td>13,916,000</td>
<td>1,930,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Student services</td>
<td>16,746,000</td>
<td>9,705,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Institutional support</td>
<td>11,827,000</td>
<td>1,893,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Operation and maintenance of plant</td>
<td>9,560,000</td>
<td>202,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Student grants and scholarships</td>
<td>18,208,000</td>
<td>1,914,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Auxiliary enterprise expenses</td>
<td>3,727,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Depreciation and amortization</td>
<td>7,069,000</td>
<td>308,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Total operating expenses</td>
<td>119,020,000</td>
<td>18,395,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Operating loss</td>
<td>(80,653,000)</td>
<td>(4,487,000)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>State appropriations, noncapital</td>
<td>47,040,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Federal financial aid grants, noncapital</td>
<td>20,546,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>State financial aid grants, noncapital</td>
<td>9,849,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>424,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Gifts, noncapital</td>
<td>569,000</td>
<td>2,451,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Investment income, net</td>
<td>124,000</td>
<td>76,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Endowment income, net</td>
<td>86,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Interest expense</td>
<td>(1,341,000)</td>
<td>(4,000)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Other nonoperating revenues</td>
<td>2,679,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Net nonoperating revenues</td>
<td>79,890,000</td>
<td>2,609,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Loss before other additions</td>
<td>(763,000)</td>
<td>(1,878,000)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Grants and gifts, capital</td>
<td>5,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Additions to permanent endowments</td>
<td>—</td>
<td>207,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Decrease in net assets</td>
<td>(758,000)</td>
<td>(1,671,000)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Net assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net assets at beginning of year, as previously reported</td>
<td>117,427,000</td>
<td>33,578,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Restatements</td>
<td>—</td>
<td>(3,596,000)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Net assets at beginning of year, as restated</td>
<td>117,427,000</td>
<td>29,982,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Net assets at end of year</td>
<td>$116,669,000</td>
<td>28,311,000</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD  
Statement of Cash Flows  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
</tr>
<tr>
<td>Cash flows from noncapital financing activities:</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
</tr>
<tr>
<td>Cash flows from capital and related financing activities:</td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income received</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
</tr>
<tr>
<td>Summary of cash and cash equivalents at end of year:</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td>Total cash and cash equivalents at end of year</td>
</tr>
</tbody>
</table>

(Continued)
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>(80,653,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,069,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,368,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>104,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(86,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(160,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>204,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(625,000)</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>398,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>103,000</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(70,283,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>16,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>251,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>64,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Transactions with Related Entities
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$3,921,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>3,921,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>3,754,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>3,754,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>585,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(585,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>4,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>100,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>100,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, CHICO  
Statement of Net Assets  
June 30, 2012

### Statement of Net Assets

#### Discretely presented component units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$9,000</td>
<td>2,099,000</td>
<td>2,108,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>107,902,000</td>
<td>24,185,000</td>
<td>132,087,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,857,000</td>
<td>8,942,000</td>
<td>10,799,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,463,000</td>
<td>2,392,000</td>
<td>3,855,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>111,231,000</td>
<td>37,619,000</td>
<td>148,850,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>468,000</td>
<td>468,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>693,000</td>
<td>—</td>
<td>693,000</td>
</tr>
<tr>
<td>Leases receivable, net of current port</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current port</td>
<td>—</td>
<td>124,000</td>
<td>124,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>5,522,000</td>
<td>531,000</td>
<td>6,053,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>842,000</td>
<td>842,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>32,293,000</td>
<td>32,293,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>16,176,000</td>
<td>21,161,000</td>
<td>37,337,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>299,334,000</td>
<td>17,960,000</td>
<td>317,294,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>954,000</td>
<td>954,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>301,725,000</td>
<td>74,333,000</td>
<td>376,058,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>412,956,000</td>
<td>111,952,000</td>
<td>524,908,000</td>
</tr>
</tbody>
</table>

#### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>7,031,000</td>
<td>3,033,000</td>
<td>10,064,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>11,210,000</td>
<td>1,231,000</td>
<td>12,441,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>4,723,000</td>
<td>301,000</td>
<td>5,024,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>6,075,000</td>
<td>327,000</td>
<td>6,402,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>16,176,000</td>
<td>21,161,000</td>
<td>37,337,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>3,195,000</td>
<td>635,000</td>
<td>3,830,000</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>124,000</td>
<td>—</td>
<td>124,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2,002,000</td>
<td>627,000</td>
<td>2,629,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>34,360,000</td>
<td>6,154,000</td>
<td>40,514,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>2,290,000</td>
<td>108,000</td>
<td>2,398,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>135,000</td>
<td>3,399,000</td>
<td>3,534,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>7,157,000</td>
<td>—</td>
<td>7,157,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current port</td>
<td>150,681,000</td>
<td>4,189,000</td>
<td>154,870,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td>3,195,000</td>
<td>635,000</td>
<td>3,830,000</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>531,000</td>
<td>143,000</td>
<td>674,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>3,814,000</td>
<td>1,680,000</td>
<td>5,494,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>—</td>
<td>504,000</td>
<td>504,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>164,608,000</td>
<td>10,023,000</td>
<td>174,631,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>198,968,000</td>
<td>16,177,000</td>
<td>215,145,000</td>
</tr>
</tbody>
</table>

**Net assets:**

| Invested in capital assets, net of related debt | 129,442,000 | 13,471,000 | 142,913,000 |
| Restricted for: Nonexpendable – endowments | — | 32,293,000 | 32,293,000 |
| Expendable: Scholarships and fellowships | 21,000 | 11,928,000 | 11,949,000 |
| Research | — | 1,094,000 | 1,094,000 |
| Loans | — | 582,000 | 582,000 |
| Capital projects | 2,429,000 | 453,000 | 2,882,000 |
| Debt service | 295,000 | — | 295,000 |
| Other | 1,000 | 9,389,000 | 9,390,000 |
| Unrestricted | 81,800,000 | 26,565,000 | 108,365,000 |
| **Total net assets** | $ 213,988,000 | 95,775,000 | 309,763,000 |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Components</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $41,599,000)</td>
<td>$75,291,000</td>
<td>5,679,000</td>
<td></td>
<td>80,970,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>26,000</td>
<td>20,833,000</td>
<td></td>
<td>20,859,000</td>
</tr>
<tr>
<td>State</td>
<td>10,000</td>
<td>4,537,000</td>
<td></td>
<td>4,547,000</td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td>1,856,000</td>
<td></td>
<td>1,856,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>41,000</td>
<td>2,656,000</td>
<td></td>
<td>2,697,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>243,000</td>
<td>2,674,000</td>
<td></td>
<td>2,917,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>19,620,000</td>
<td>23,238,000</td>
<td></td>
<td>42,858,000</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>102,110,000</td>
<td>67,927,000</td>
<td>(70,000)</td>
<td>169,967,000</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>78,898,000</td>
<td>3,443,000</td>
<td></td>
<td>82,341,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,600,000</td>
<td>2,309,000</td>
<td></td>
<td>3,909,000</td>
</tr>
<tr>
<td>Public service</td>
<td>1,532,000</td>
<td>23,385,000</td>
<td></td>
<td>24,788,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>22,236,000</td>
<td>7,510,000</td>
<td>(2,000)</td>
<td>29,744,000</td>
</tr>
<tr>
<td>Student services</td>
<td>21,227,000</td>
<td>5,426,000</td>
<td></td>
<td>26,653,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>20,454,000</td>
<td>5,426,000</td>
<td></td>
<td>25,880,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>20,700,000</td>
<td>2,396,000</td>
<td>(127,000)</td>
<td>22,969,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>27,271,000</td>
<td>1,385,000</td>
<td></td>
<td>28,656,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>15,752,000</td>
<td>20,222,000</td>
<td></td>
<td>35,974,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,899,000</td>
<td>1,545,000</td>
<td></td>
<td>15,444,000</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>223,569,000</td>
<td>74,214,000</td>
<td>(1,552,000)</td>
<td>296,231,000</td>
</tr>
<tr>
<td><strong>Net loss:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>77,699,000</td>
<td>—</td>
<td></td>
<td>77,699,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>28,491,000</td>
<td>—</td>
<td></td>
<td>28,491,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>12,108,000</td>
<td>—</td>
<td></td>
<td>12,108,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>1,544,000</td>
<td>—</td>
<td></td>
<td>1,544,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>126,000</td>
<td>4,571,000</td>
<td></td>
<td>4,697,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>445,000</td>
<td>23,000</td>
<td></td>
<td>468,000</td>
</tr>
<tr>
<td>Endowment loss, net</td>
<td>(293,000)</td>
<td>—</td>
<td></td>
<td>(293,000)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(7,179,000)</td>
<td>(197,000)</td>
<td></td>
<td>(7,376,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues</td>
<td>4,210,000</td>
<td>1,970,000</td>
<td></td>
<td>6,180,000</td>
</tr>
<tr>
<td>Net nonoperating revenues</td>
<td>117,444,000</td>
<td>6,074,000</td>
<td>(1,333,000)</td>
<td>122,185,000</td>
</tr>
<tr>
<td>Loss before other additions</td>
<td>(4,015,000)</td>
<td>(213,000)</td>
<td>149,000</td>
<td>(4,079,000)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>1,522,000</td>
<td>—</td>
<td></td>
<td>1,522,000</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>172,000</td>
<td>297,000</td>
<td></td>
<td>320,000</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>—</td>
<td>112,000</td>
<td></td>
<td>112,000</td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>(2,321,000)</td>
<td>196,000</td>
<td></td>
<td>(2,125,000)</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>216,309,000</td>
<td>94,784,000</td>
<td></td>
<td>311,093,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>795,000</td>
<td></td>
<td>795,000</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>216,309,000</td>
<td>95,579,000</td>
<td></td>
<td>312,888,000</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$213,988,000</td>
<td>95,775,000</td>
<td></td>
<td>309,763,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, CHICO
### Statement of Cash Flows
#### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$75,455,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>53,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>10,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td></td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(35,137,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(146,758,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(27,268,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>244,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>19,703,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>7,375,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(106,323,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>77,699,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>28,491,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>12,108,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td></td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>1,539,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td></td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>26,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>54,266,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(54,392,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>7,385,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(7,421,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>3,640,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>123,341,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>20,421,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>1,075,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>206,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>25,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(15,394,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td></td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td></td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(12,121,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(7,533,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td></td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td></td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td></td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(13,321,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>331,934,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(336,445,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>813,000</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(3,698,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net decrease in cash and cash equivalents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at beginning of year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at end of year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$9,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of cash and cash equivalents at end of year:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$9,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
<td>$9,000</td>
</tr>
</tbody>
</table>
CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(121,459,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,899,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>217,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>30,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>3,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>102,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(251,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>282,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>777,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>77,000</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>$(106,323,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$37,000</td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>1,028,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>1,712,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>99,000</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>72,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>42,000</td>
</tr>
<tr>
<td>Capital asset transferred from Auxiliary Organization</td>
<td>50,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, CHICO
### Transactions with Related Entities
#### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 2,669,000</td>
<td></td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 2,669,000</td>
<td></td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>$ 5,459,000</td>
<td></td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>$ 5,459,000</td>
<td></td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>$11,881,000</td>
<td></td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>$11,881,000</td>
<td></td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>$ 31,000</td>
<td></td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>$ 31,000</td>
<td></td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>$ 233,000</td>
<td></td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>$ 233,000</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>$ 265,000</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>$ 46,000</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>$ 46,000</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>$ 46,000</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Assets
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$7,000</td>
<td>6,990,000</td>
<td>6,997,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>37,655,000</td>
<td>98,000</td>
<td>37,753,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,989,000</td>
<td></td>
<td>3,989,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>770,000</td>
<td></td>
<td>770,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>560,000</td>
<td></td>
<td>560,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>481,000</td>
<td>631,000</td>
<td>631,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>48,843,000</td>
<td>11,752,000</td>
<td>60,595,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>6,345,000</td>
<td>6,345,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,504,000</td>
<td></td>
<td>8,504,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>137,645,000</td>
<td></td>
<td>137,645,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>62,895,000</td>
<td></td>
<td>62,895,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>1,410,000</td>
<td>1,410,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td>5,312,000</td>
<td>5,312,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>119,901,000</td>
<td></td>
<td>119,901,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td></td>
<td>2,597,000</td>
<td>2,597,000</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>5,219,000</td>
<td>5,219,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>519,504,000</td>
<td>144,504,000</td>
<td>664,008,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>568,347,000</td>
<td>156,256,000</td>
<td>724,603,000</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets                  |            |                         |            |
| Current liabilities:                        |            |                         |            |
| Accounts payable                            | 8,620,000  | 2,296,000               | 10,916,000 |
| Accrued salaries and benefits payable       | 2,772,000  | 73,000                  | 2,845,000  |
| Accrued compensated absences – current port| 2,163,000  | 10,000                  | 2,173,000  |
| Deferred revenue                            | 6,357,000  | 39,000                  | 6,396,000  |
| Capitalized lease obligations – current port| 1,827,000  | 770,000                 | 2,597,000  |
| Long-term debt obligations – current port   | 2,715,000  | 567,000                 | 3,282,000  |
| Self-insurance claims liability – current port|         |                         |            |
| Depository accounts – current port          |            |                         |            |
| Other liabilities                           | 4,011,000  | 5,707,000               | 9,718,000  |
| **Total current liabilities**               | 28,465,000 | 9,462,000               | 37,927,000 |
| Noncurrent liabilities:                     |            |                         |            |
| Accrued compensated absences, net of current portion | 1,326,000 | 100,000                | 1,426,000  |
| Deferred revenue                            |            |                         |            |
| Capitalized lease obligations, net of current portion | 10,747,000 | 137,797,000 | 148,544,000|
| Long-term debt obligations, net of current portion | 268,025,000 | 67,743,000 | 335,768,000|
| Self-insurance claims liability, net of current portion | 2,715,000 | 567,000 | 3,282,000 |
| Depository accounts                         |            | 51,000                  | 51,000     |
| Other postemployment benefits obligation    |            |                         |            |
| Other liabilities                           |            | 573,000                 | 573,000    |
| **Total noncurrent liabilities**            | 280,098,000| 206,264,000             | 486,362,000|
| **Total liabilities**                       | 308,563,000| 215,726,000             | 524,289,000|
| **Net assets (deficit):**                   |            |                         |            |
| Invested in capital assets, net of related debt | 166,113,000 | (18,696,000) | 147,417,000|
| Restricted for:                             |            |                         |            |
| Nonexpendable – endowments                  |            | 5,312,000               | 5,312,000  |
| Expendable:                                 |            |                         |            |
| Scholarships and fellowships                | 8,000      | 1,101,000               | 1,109,000  |
| Research                                    | 254,000    | 35,000                  | 289,000    |
| Loans                                       | 5,497,000  | 277,000                 | 5,774,000  |
| Debt service                                |            | 310,000                 | 310,000    |
| Other                                       | 13,270,000 |                         | 13,270,000 |
| Unrestricted                                | 87,912,000 | (61,079,000)            | 26,833,000 |
| **Total net assets**                        | $259,784,000| (59,470,000)            | 200,314,000|

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $7,161,000)</td>
<td>$22,230,000</td>
<td>849,000</td>
<td>23,079,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>3,101,000</td>
<td></td>
<td>3,101,000</td>
</tr>
<tr>
<td>State</td>
<td>669,000</td>
<td></td>
<td>669,000</td>
</tr>
<tr>
<td>Local</td>
<td>108,000</td>
<td></td>
<td>108,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>345,000</td>
<td></td>
<td>345,000</td>
</tr>
<tr>
<td>Sales and services of educational activities (net of scholarship allowances of $2,014,000)</td>
<td>7,946,000</td>
<td>1,000</td>
<td>7,947,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>1,534,000</td>
<td>26,177,000</td>
<td>27,711,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>35,933,000</td>
<td>27,027,000</td>
<td>62,960,000</td>
</tr>
</tbody>
</table>

|                              |                         |              |         |
| **Expenses:**                |                         |              |         |
| Operating expenses:          |                         |              |         |
| Instruction                  | 30,133,000              | 941,000      | 31,074,000 |
| Research                     | 1,364,000               | 47,000       | 1,411,000 |
| Public service               | 2,000                   | 1,735,000    | 1,737,000 |
| Academic support             | 9,256,000               | 73,000       | 9,329,000 |
| Student services             | 8,895,000               | 543,000      | 9,438,000 |
| Institutional support        | 10,902,000              | 1,735,000    | 12,637,000 |
| Operation and maintenance of plant | 14,305,000 | 199,000 | 14,494,000 |
| Student grants and scholarships | 7,503,000      |              | 7,503,000 |
| Auxiliary enterprise expenses | 5,388,000               | 15,408,000   | 20,796,000 |
| Depreciation and amortization| 9,468,000               | 4,742,000    | 14,210,000 |
| **Total operating expenses** | 97,216,000              | 25,937,000   | 123,153,000 |

|                              |                         |              |         |
| **Operating income (loss)**  |                         |              |         |
| Net operating revenues (expenses) |                       |              |         |
| Net nonoperating revenues (expenses) | 59,942,000    | (2,990,000)  | 56,952,000 |
| Loss before other additions   | (1,341,000)            | (1,900,000)  | (3,241,000) |
| **Net assets (deficit):**     |                         |              |         |
| Net assets at beginning of year, as previously reported | 260,126,000 | (57,630,000) | 202,496,000 |
| Restatements                  |                         |              |         |
| Net assets at beginning of year, as restated | 260,126,000 | (57,630,000) | 202,496,000 |
| Net assets at end of year     | $259,784,000           | (59,470,000) | 200,314,000 |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS  
Statement of Cash Flows  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

| Cash flows from noncapital financing activities: |
| State appropriations                        | 44,988,000   |
| Federal financial aid grants                | 7,127,000    |
| State financial aid grants                  | 3,032,000    |
| Local financial aid grants                  | —            |
| Nongovernmental and other financial aid grants| —            |
| Other federal nonoperating grants           | —            |
| Gifts and grants received for other than capital purposes | 116,000 |
| Federal loan program receipts               | —            |
| Federal loan program disbursements          | —            |
| Monies received on behalf of others         | —            |
| Monies disbursed on behalf of others        | (22,000)     |
| Other noncapital financing activities       | 1,660,000    |
| **Net cash provided by noncapital financing activities** | 56,901,000 |

| Cash flows from capital and related financing activities: |
| Proceeds from capital debt                    | —            |
| State appropriations                          | 30,198,000   |
| Capital grants and gifts                      | —            |
| Proceeds from sale of capital assets          | —            |
| Acquisition of capital assets                 | (36,187,000) |
| Issuance of notes receivable                  | —            |
| Transfers to escrow agent                     | —            |
| Principal paid on capital debt and leases     | (3,801,000)  |
| Interest paid on capital debt and leases      | (14,108,000) |
| Principal payments received on capital leases | 530,000      |
| Interest payments received on capital leases  | 7,193,000    |
| Principal payments received on notes receivable| 440,000     |
| Interest payments received on notes receivable| 3,123,000   |
| **Net cash used in capital and related financing activities** | (12,612,000) |

| Cash flows from investing activities:        |
| Proceeds from sales and maturities of investments | 133,654,000 |
| Purchases of investments                     | (138,011,000) |
| Investment income received                    | 6,736,000    |
| **Net cash provided by investing activities** | 2,379,000    |

| Cash and cash equivalents at beginning of year|
|**Net increase in cash and cash equivalents** | 7,000 |

| Cash and cash equivalents at end of year     |
|**$ 7,000**                                  |

**Summary of cash and cash equivalents at end of year:**

- **Cash and cash equivalents:** $7,000
- **Restricted cash and cash equivalents:** —

**Total cash and cash equivalents at end of year:**

- **$7,000**
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(61,283,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$9,468,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$(9,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>$(31,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,481,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>$1,366,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>$26,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$2,569,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits</td>
<td>—</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$(248,000)</td>
</tr>
</tbody>
</table>

Net cash used in operating activities $ (46,661,000)

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>$(750,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>97,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$515,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>515,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>13,716,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>13,716,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>3,375,000</td>
</tr>
<tr>
<td>Reimbursements to University for services, space, and programs</td>
<td>3,375,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>61,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>61,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>29,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>3,236,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(3,236,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(1,147,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>1,147,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>55,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>55,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>(13,000)</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS  
Statement of Net Assets  
June 30, 2012

### Discretely Presented Component Units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary Organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,000</td>
<td>1,742,000</td>
<td>1,744,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>71,452,000</td>
<td>4,115,000</td>
<td>75,567,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>6,354,000</td>
<td>2,366,000</td>
<td>8,720,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>333,000</td>
<td>333,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>434,000</td>
<td>51,000</td>
<td>485,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>78,242,000</td>
<td>8,607,000</td>
<td>86,849,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>458,000</td>
<td>458,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>571,000</td>
<td>119,000</td>
<td>690,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,077,000</td>
<td>1,077,000</td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>333,000</td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td>9,702,000</td>
<td></td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>742,000</td>
<td>6,197,000</td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>168,006,000</td>
<td>168,633,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>170,396,000</td>
<td>187,090,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>248,638,000</td>
<td>273,939,000</td>
<td></td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,848,000</td>
<td>4,769,000</td>
<td></td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>5,466,000</td>
<td>5,575,000</td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>2,833,000</td>
<td>3,025,000</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>6,601,000</td>
<td>6,868,000</td>
<td></td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>1,357,000</td>
<td>1,357,000</td>
<td></td>
</tr>
<tr>
<td>Long-term debt obligations – current portion</td>
<td>1,115,000</td>
<td>1,124,000</td>
<td></td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>64,000</td>
<td>64,000</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,136,000</td>
<td>1,149,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>21,420,000</td>
<td>23,931,000</td>
<td></td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>2,437,000</td>
<td>2,457,000</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,179,000</td>
<td>1,179,000</td>
<td></td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>3,294,000</td>
<td>3,294,000</td>
<td></td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>27,733,000</td>
<td>27,953,000</td>
<td></td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td>862,000</td>
<td>862,000</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>2,328,000</td>
<td>5,113,000</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>36,971,000</td>
<td>40,858,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>58,391,000</td>
<td>64,789,000</td>
<td></td>
</tr>
</tbody>
</table>

**Net assets:**

- Invested in capital assets, net of related debt: $134,506,000
- Restricted:
  - Nonexpendable – endowments: $0
  - Expendable:
    - Scholarships and fellowships: $39,000
    - Research: $39,000
    - Loans: $0
    - Capital projects: $360,000
    - Debt service: $210,000
    - Other: $0
    - Unrestricted: $54,767,000

**Total net assets:** $190,247,000

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

### Statement of Revenues, Expenses, and Changes in Net Assets

#### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Revenues: Operating revenues:</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $30,904,000)</td>
<td>$57,878,000</td>
<td>3,719,000</td>
<td>—</td>
<td>61,597,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>481,000</td>
<td>10,930,000</td>
<td>—</td>
<td>11,411,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>2,449,000</td>
<td>—</td>
<td>2,449,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>99,000</td>
<td>—</td>
<td>99,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>331,000</td>
<td>404,000</td>
<td>—</td>
<td>735,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>6,496,000</td>
<td>3,502,000</td>
<td>—</td>
<td>9,998,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>4,332,000</td>
<td>163,000</td>
<td>—</td>
<td>4,495,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>69,518,000</td>
<td>21,266,000</td>
<td>—</td>
<td>90,784,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses: Operating expenses:</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>53,130,000</td>
<td>4,864,000</td>
<td>—</td>
<td>57,994,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>3,004,000</td>
<td>—</td>
<td>3,004,000</td>
</tr>
<tr>
<td>Public service</td>
<td>135,000</td>
<td>—</td>
<td>—</td>
<td>135,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>14,260,000</td>
<td>—</td>
<td>—</td>
<td>14,260,000</td>
</tr>
<tr>
<td>Student services</td>
<td>16,462,000</td>
<td>2,094,000</td>
<td>(266,000)</td>
<td>18,290,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>14,491,000</td>
<td>—</td>
<td>—</td>
<td>14,491,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>41,214,000</td>
<td>3,180,000</td>
<td>—</td>
<td>44,394,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>4,725,000</td>
<td>81,000</td>
<td>—</td>
<td>4,806,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>9,346,000</td>
<td>81,000</td>
<td>—</td>
<td>9,427,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>168,325,000</td>
<td>22,378,000</td>
<td>(266,000)</td>
<td>190,437,000</td>
</tr>
</tbody>
</table>

| Net Operating Loss | (98,807,000) | (1,112,000) | 266,000 | (99,653,000) |

| Net nonoperating revenues | 102,800,000 | 2,468,000 | (202,000) | 105,066,000 |
| Income before other additions | 3,993,000 | 1,356,000 | 64,000 | 5,413,000 |

| State appropriations, capital | 57,178,000 | — | — | 57,178,000 |
| Federal financial aid grants, noncapital | 33,013,000 | — | — | 33,013,000 |
| State financial aid grants, noncapital | 9,914,000 | — | — | 9,914,000 |
| Local financial aid grants, noncapital | 606,000 | — | — | 606,000 |
| Nongovernmental and other financial aid grants, noncapital | — | — | — | — |
| Gifts, noncapital | 202,000 | 2,250,000 | (202,000) | 2,250,000 |
| Investment income, net | 263,000 | 98,000 | — | 361,000 |
| Endowment income, net | 131,000 | — | — | 131,000 |
| Interest expense | (1,537,000) | (11,000) | — | (1,548,000) |
| Other nonoperating revenues | 3,161,000 | — | — | 3,161,000 |
| **Net nonoperating revenues** | 102,800,000 | 2,468,000 | (202,000) | 105,066,000 |

| Increase in net assets | 4,057,000 | 1,409,000 | — | 5,466,000 |

| Net assets: | | | | |
| Net assets at beginning of year, as previously reported | 186,190,000 | 17,494,000 | — | 203,684,000 |
| Restatements | — | — | — | — |
| **Net assets at beginning of year, as restated** | 186,190,000 | 17,494,000 | — | 203,684,000 |
| Net assets at end of year | $190,247,000 | 18,903,000 | — | 209,150,000 |

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

### Statement of Cash Flows

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$57,482,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>481,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(19,697,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(96,560,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(41,305,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>227,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>331,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>6,502,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>4,023,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(88,516,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>57,178,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>33,312,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>11,061,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>747,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>202,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>65,863,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(65,800,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>3,262,000</td>
</tr>
<tr>
<td><strong>Net cash provided by used in noncapital financing activities</strong></td>
<td>105,825,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>1,367,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>2,023,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>64,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(4,716,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(1,367,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(3,108,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(1,574,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(7,311,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>211,817,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(222,434,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>378,000</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(10,239,000)</td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>(241,000)</td>
</tr>
</tbody>
</table>

| Cash and cash equivalents at beginning of year          | 243,000 |
| Cash and cash equivalents at end of year                | $ 2,000 |

### Summary of cash and cash equivalents at end of year:

- **Cash and cash equivalents**: $2,000
- **Restricted cash and cash equivalents**: —

**Total cash and cash equivalents at end of year**: $2,000

(Continued)
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(98,807,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>9,346,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(333,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>8,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(141,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,117,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>132,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(50,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(536,000)</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>628,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>$(88,516,000)</strong></td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(41,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>55,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>28,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

**Transactions with Related Entities**

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Transaction Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on</td>
<td>$1,439,000</td>
</tr>
<tr>
<td>contracts, grants, and other programs</td>
<td></td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel</td>
<td>1,439,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>2,199,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>2,199,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>374,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>374,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>41,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>41,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>254,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>1,204,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(1,204,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>388,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>388,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, EAST BAY
### Statement of Net Assets
#### June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>17,000</td>
<td>3,206,000</td>
<td>3,223,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>72,342,000</td>
<td>26,729,000</td>
<td>99,071,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>7,266,000</td>
<td>3,090,000</td>
<td>10,356,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>2,330,000</td>
<td>386,000</td>
<td>2,716,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>81,955,000</td>
<td>33,665,000</td>
<td>115,620,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>404,000</td>
<td>404,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>56,000</td>
<td>—</td>
<td>56,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>3,627,000</td>
<td>—</td>
<td>3,627,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>1,131,000</td>
<td>1,131,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>389,000</td>
<td>6,379,000</td>
<td>6,768,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>923,000</td>
<td>—</td>
<td>923,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>238,753,000</td>
<td>5,748,000</td>
<td>244,501,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>243,748,000</td>
<td>13,662,000</td>
<td>257,410,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>325,703,000</td>
<td>47,327,000</td>
<td>373,030,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>6,139,000</td>
<td>1,774,000</td>
<td>7,913,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>8,355,000</td>
<td>442,000</td>
<td>8,797,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>4,208,000</td>
<td>180,000</td>
<td>4,388,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>7,577,000</td>
<td>3,137,000</td>
<td>10,714,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>266,000</td>
<td>—</td>
<td>266,000</td>
</tr>
<tr>
<td>Long-term debt obligations – current portion</td>
<td>3,201,000</td>
<td>195,000</td>
<td>3,396,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>171,000</td>
<td>3,640,000</td>
<td>3,811,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,172,000</td>
<td>5,000</td>
<td>1,177,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>31,089,000</td>
<td>9,373,000</td>
<td>40,462,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>2,392,000</td>
<td>—</td>
<td>2,392,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>4,295,000</td>
<td>—</td>
<td>4,295,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>1,653,000</td>
<td>—</td>
<td>1,653,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>116,240,000</td>
<td>3,675,000</td>
<td>119,915,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>1,452,000</td>
<td>3,016,000</td>
<td>4,468,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>126,032,000</td>
<td>9,124,000</td>
<td>135,156,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>157,121,000</td>
<td>18,497,000</td>
<td>175,618,000</td>
</tr>
</tbody>
</table>

**Net assets:**
- Invested in capital assets, net of related debt | 117,601,000 | 1,878,000 | 119,479,000 |
- Restricted for:
  - Nonexpendable – endowments | 389,000 | 6,379,000 | 6,768,000 |
  - Expendable:
    - Scholarships and fellowships | 680,000 | 2,969,000 | 3,649,000 |
    - Research | —     | —         | —         |
    - Loans | 449,000 | —         | 449,000   |
    - Capital projects | 56,000 | 2,000     | 58,000    |
    - Debt service | 5,000  | —         | 5,000     |
    - Other | 4,000  | 4,567,000  | 4,571,000  |
  - Unrestricted | 49,398,000 | 13,035,000 | 62,433,000 |
| **Total net assets**                | $168,582,000 | $28,830,000 | $197,412,000 |

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2012

### Revenues:

<table>
<thead>
<tr>
<th>Component</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $30,401,000)</td>
<td>$88,164,000</td>
<td>3,854,000</td>
<td>—</td>
<td>92,018,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>100,000</td>
<td>6,694,000</td>
<td>—</td>
<td>6,794,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>1,675,000</td>
<td>—</td>
<td>1,675,000</td>
</tr>
<tr>
<td>Local</td>
<td>92,000</td>
<td>—</td>
<td>—</td>
<td>92,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>2,675,000</td>
<td>—</td>
<td>2,675,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>302,000</td>
<td>2,158,000</td>
<td>—</td>
<td>2,460,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>13,162,000</td>
<td>2,158,000</td>
<td>—</td>
<td>15,320,000</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>108,704,000</td>
<td>17,073,000</td>
<td>—</td>
<td>125,777,000</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Component</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>71,618,000</td>
<td>—</td>
<td>—</td>
<td>71,618,000</td>
</tr>
<tr>
<td>Research</td>
<td>243,000</td>
<td>10,173,000</td>
<td>—</td>
<td>10,416,000</td>
</tr>
<tr>
<td>Public service</td>
<td>120,000</td>
<td>—</td>
<td>—</td>
<td>120,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>15,036,000</td>
<td>—</td>
<td>—</td>
<td>15,036,000</td>
</tr>
<tr>
<td>Student services</td>
<td>22,978,000</td>
<td>—</td>
<td>—</td>
<td>22,978,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>28,213,000</td>
<td>—</td>
<td>—</td>
<td>28,213,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>17,529,000</td>
<td>—</td>
<td>—</td>
<td>17,529,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>27,224,000</td>
<td>381,000</td>
<td>—</td>
<td>27,605,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>6,631,000</td>
<td>5,417,000</td>
<td>(584,000)</td>
<td>11,464,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>12,161,000</td>
<td>210,000</td>
<td>—</td>
<td>12,371,000</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>201,753,000</td>
<td>16,181,000</td>
<td>(584,000)</td>
<td>217,350,000</td>
</tr>
</tbody>
</table>

### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th>Component</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>60,274,000</td>
<td>—</td>
<td>—</td>
<td>60,274,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>23,524,000</td>
<td>—</td>
<td>—</td>
<td>23,524,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>10,520,000</td>
<td>—</td>
<td>—</td>
<td>10,520,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>430,000</td>
<td>—</td>
<td>—</td>
<td>430,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>584,000</td>
<td>812,000</td>
<td>(549,000)</td>
<td>847,000</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>102,000</td>
<td>(5,000)</td>
<td>—</td>
<td>97,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>102,000</td>
<td>(5,000)</td>
<td>—</td>
<td>97,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(6,116,000)</td>
<td>(385,000)</td>
<td>—</td>
<td>(6,501,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues</td>
<td>2,467,000</td>
<td>632,000</td>
<td>—</td>
<td>3,099,000</td>
</tr>
<tr>
<td>Net nonoperating revenues</td>
<td>91,785,000</td>
<td>1,056,000</td>
<td>(549,000)</td>
<td>92,292,000</td>
</tr>
</tbody>
</table>

### Increase (decrease) in net assets

<table>
<thead>
<tr>
<th>Component</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>35,000</td>
<td>—</td>
<td>(35,000)</td>
<td>—</td>
</tr>
<tr>
<td>Additions (reductions) to permanent endowments</td>
<td>(17,000)</td>
<td>1,122,000</td>
<td>—</td>
<td>1,095,000</td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>(1,246,000)</td>
<td>3,060,000</td>
<td>—</td>
<td>1,814,000</td>
</tr>
</tbody>
</table>

### Net assets:

<table>
<thead>
<tr>
<th>Component</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>169,828,000</td>
<td>25,770,000</td>
<td>—</td>
<td>195,598,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>169,828,000</td>
<td>25,770,000</td>
<td>—</td>
<td>195,598,000</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$168,582,000</td>
<td>28,830,000</td>
<td>—</td>
<td>197,412,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, EAST BAY
Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$89,499,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>148,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>42,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(38,479,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(122,435,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(27,239,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>1,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>302,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>13,672,000</td>
</tr>
<tr>
<td>Other payments</td>
<td>7,324,000</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>(77,165,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>60,274,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>23,362,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>10,247,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>430,000</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>583,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>58,050,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(57,763,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>1,110,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(1,167,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>1,334,000</td>
</tr>
<tr>
<td><strong>Net cash used in noncapital financing activities</strong></td>
<td>96,460,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations</td>
<td>2,718,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>2,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(8,981,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>—</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(3,320,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(6,211,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash provided by capital and related financing activities</strong></td>
<td>(15,792,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>267,668,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(271,467,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>306,000</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>(3,493,000)</td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
<td>7,000</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$17,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary of cash and cash equivalents at end of year:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$17,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
<td>$17,000</td>
</tr>
</tbody>
</table>
Reconciliation of operating income to net cash provided by operating activities:

Operating income $ (93,049,000)

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation and amortization 12,161,000
Change in assets and liabilities:
  Accounts receivable, net 396,000
  Student loans receivable, net (11,000)
  Prepaid expenses and other assets (1,759,000)
  Accounts payable 1,087,000
  Accrued salaries and benefits 1,339,000
  Accrued compensated absences 276,000
  Deferred revenue 1,871,000
  Self-insurance claims liability —
  Depository accounts —
  Other postemployment benefits obligation 410,000
  Other liabilities 114,000

Net cash provided by operating activities $ (77,165,000)

Supplemental schedule of noncash transactions:

Contributed capital assets $ (35,000)
Acquisition of capital asset through capital lease (49,000)
Gifts in kind 94,000
Amortization of bond premium and discount 14,000

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, EAST BAY  
Transactions with Related Entities  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working</td>
<td>$2,688,000</td>
</tr>
<tr>
<td>on contracts, grants, and other programs</td>
<td></td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on</td>
<td>2,688,000</td>
</tr>
<tr>
<td>contracts, grants, and other programs</td>
<td></td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>4,111,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>4,111,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>1,013,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>1,013,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>54,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>18,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>4,269,000</td>
</tr>
<tr>
<td>Accounts payable to University</td>
<td>(4,269,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td></td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>2,000</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td></td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td></td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td></td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>56,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>56,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td></td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td></td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Net Assets

June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,000</td>
<td>28,147,000</td>
<td>28,160,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>97,970,000</td>
<td>48,209,000</td>
<td>146,179,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>6,132,000</td>
<td>17,380,000</td>
<td>33,570,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>3,400,000</td>
<td></td>
<td>3,400,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,325,000</td>
<td>3,884,000</td>
<td>5,209,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>108,840,000</td>
<td>116,558,000</td>
<td>225,398,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>256,000</td>
<td>32,000</td>
<td>288,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>65,435,000</td>
<td></td>
<td>65,435,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>3,784,000</td>
<td>88,000</td>
<td>3,872,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td>915,000</td>
<td>122,515,000</td>
<td>123,430,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>381,000</td>
<td>5,909,000</td>
<td>6,290,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>214,661,000</td>
<td>106,279,000</td>
<td>320,940,000</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>285,432,000</td>
<td>325,921,000</td>
<td>611,353,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>394,272,000</td>
<td>442,479,000</td>
<td>836,751,000</td>
</tr>
</tbody>
</table>

#### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,357,000</td>
<td>6,159,000</td>
<td>8,516,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>13,327,000</td>
<td>1,740,000</td>
<td>15,067,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current port</td>
<td>5,161,000</td>
<td>20,043,000</td>
<td>25,204,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,595,000</td>
<td>14,331,000</td>
<td>15,926,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current port</td>
<td>815,000</td>
<td>3,400,000</td>
<td>4,215,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current port</td>
<td>4,283,000</td>
<td>64,903,000</td>
<td>69,186,000</td>
</tr>
<tr>
<td>Depository accounts – current port</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2,056,000</td>
<td>2,863,000</td>
<td>4,919,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>29,594,000</td>
<td>93,868,000</td>
<td>123,462,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current port</td>
<td>4,446,000</td>
<td>860,000</td>
<td>5,306,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>4,219,000</td>
<td></td>
<td>4,219,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current port</td>
<td>296,000</td>
<td>65,435,000</td>
<td>65,731,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current port</td>
<td>90,079,000</td>
<td>8,305,000</td>
<td>98,384,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current port</td>
<td>4,283,000</td>
<td>64,903,000</td>
<td>69,186,000</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>1,000</td>
<td>2,207,000</td>
<td>3,208,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>1,241,000</td>
<td></td>
<td>1,241,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>540,000</td>
<td>6,002,000</td>
<td>6,542,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>100,822,000</td>
<td>82,809,000</td>
<td>183,631,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>130,416,000</td>
<td>176,677,000</td>
<td>307,093,000</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets:</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>188,023,000</td>
<td>28,686,000</td>
<td>216,709,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>915,000</td>
<td>125,983,000</td>
<td>126,898,000</td>
</tr>
<tr>
<td>Expended:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>16,000</td>
<td>3,451,000</td>
<td>3,667,000</td>
</tr>
<tr>
<td>Research</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>437,000</td>
<td>1,077,000</td>
<td>1,514,000</td>
</tr>
<tr>
<td>Capital projects</td>
<td>100,000</td>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td>Debt service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>35,000</td>
<td>7,287,000</td>
<td>7,627,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>540,000</td>
<td>47,974,000</td>
<td>122,374,000</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>263,856,000</td>
<td>265,802,000</td>
<td>529,658,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, FRESNO  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $69,775,000)</td>
<td>$75,500,000</td>
<td>7,665,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>104,000</td>
<td>23,708,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>6,490,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>4,650,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>72,000</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>3,561,000</td>
<td>50,467,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>9,780,000</td>
<td>2,558,000</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>89,017,000</td>
<td>95,538,000</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>96,119,000</td>
<td>15,097,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,775,000</td>
<td>6,815,000</td>
</tr>
<tr>
<td>Public service</td>
<td>1,954,000</td>
<td>14,570,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>28,889,000</td>
<td>66,000</td>
</tr>
<tr>
<td>Student services</td>
<td>31,163,000</td>
<td>5,131,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>25,177,000</td>
<td>62,980,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>25,886,000</td>
<td>829,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>48,458,000</td>
<td>8,560,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>3,869,000</td>
<td>62,980,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>16,085,000</td>
<td>5,422,000</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>279,375,000</td>
<td>120,238,000</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>98,524,000</td>
<td>—</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>49,918,000</td>
<td>—</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>28,716,000</td>
<td>—</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>5,000</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>4,186,000</td>
<td>6,975,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>3,681,000</td>
<td>4,083,000</td>
</tr>
<tr>
<td>Endowment income (loss), net</td>
<td>9,000</td>
<td>(2,823,000)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(4,569,000)</td>
<td>(4,165,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues</td>
<td>2,677,000</td>
<td>3,173,000</td>
</tr>
<tr>
<td>Total nonoperating revenues</td>
<td>183,147,000</td>
<td>7,243,000</td>
</tr>
<tr>
<td>Loss before other additions</td>
<td>(7,211,000)</td>
<td>(17,457,000)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>277,000</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>—</td>
<td>1,929,000</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>—</td>
<td>13,052,000</td>
</tr>
<tr>
<td>Decrease in net assets</td>
<td>(6,934,000)</td>
<td>(2,476,000)</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>270,790,000</td>
<td>268,278,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>270,790,000</td>
<td>268,278,000</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$263,856,000</td>
<td>265,802,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### CALIFORNIA STATE UNIVERSITY, FRESNO
#### Statement of Cash Flows
#### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$76,077,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>104,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>7,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(44,488,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(170,698,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(48,685,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>72,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>5,326,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>9,502,000</td>
</tr>
</tbody>
</table>

Net cash used in operating activities: $(172,783,000)

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>98,524,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>49,918,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>28,759,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>5,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>4,186,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>67,319,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(66,321,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>338,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(1,089,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>2,456,000</td>
</tr>
</tbody>
</table>

Net cash provided by noncapital financing activities: $184,075,000

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations</td>
<td>100,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>16,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(4,147,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>—</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(2,596,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(4,560,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

Net cash used in capital and related financing activities: $(11,187,000)

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>376,775,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(380,263,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>3,382,000</td>
</tr>
</tbody>
</table>

Net cash used in investing activities: $(106,000)

Net decrease in cash and cash equivalents: $(1,000)

Cash and cash equivalents at beginning of year: $14,000

Cash and cash equivalents at end of year: $13,000

Summary of cash and cash equivalents at end of year:

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
</tr>
</tbody>
</table>

Total cash and cash equivalents at end of year: $13,000
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(190,358,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>16,085,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,839,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(425,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(781,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>(48,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(550,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>578,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>305,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>572,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>$(172,783,000)</strong></td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$1,260,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>35,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>17,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel</td>
<td>4,724,000</td>
</tr>
<tr>
<td>working on contracts, grants, and other programs</td>
<td></td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working</td>
<td>4,724,000</td>
</tr>
<tr>
<td>on contracts, grants, and other programs</td>
<td></td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University</td>
<td>432,000</td>
</tr>
<tr>
<td>personnel</td>
<td></td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>432,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and</td>
<td>88,000</td>
</tr>
<tr>
<td>programs</td>
<td></td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>88,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td></td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td></td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary</td>
<td>1,260,000</td>
</tr>
<tr>
<td>Organizations</td>
<td></td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>1,260,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>490,000</td>
</tr>
<tr>
<td>Accounts payable to University</td>
<td>(490,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td></td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(1,022,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>1,022,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td></td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td></td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td></td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>263,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>263,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td></td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td></td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td></td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, FULLERTON
Statement of Net Assets
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$326,000</td>
<td>15,804,000</td>
<td>16,130,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>160,609,000</td>
<td>26,132,000</td>
<td>186,741,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>16,962,000</td>
<td>3,912,000</td>
<td>20,894,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>110,000</td>
<td>815,000</td>
<td>925,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>315,000</td>
<td>1,276,000</td>
<td>1,591,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>4,390,000</td>
<td>4,390,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>3,441,000</td>
<td></td>
<td>3,441,000</td>
</tr>
<tr>
<td>Total current assets</td>
<td>181,783,000</td>
<td>57,170,000</td>
<td>238,953,000</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>4,542,000</td>
<td>4,542,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>5,885,000</td>
<td>94,000</td>
<td>6,079,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>15,586,000</td>
<td>73,000</td>
<td>15,659,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>4,830,000</td>
<td></td>
<td>4,830,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>8,463,000</td>
<td>8,463,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td>31,212,000</td>
<td>31,212,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>9,672,000</td>
<td>3,551,000</td>
<td>13,223,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>605,151,000</td>
<td>21,730,000</td>
<td>626,881,000</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>2,050,000</td>
<td>2,050,000</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>639,124,000</td>
<td>117,250,000</td>
<td>756,374,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>820,907,000</td>
<td>174,420,000</td>
<td>995,327,000</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

| Current liabilities:                 |                         |                         |            |
| Accounts payable                     | 7,107,000               | 5,506,000               | 12,613,000 |
| Accounts receivable and benefits payable | 22,028,000           | 45,000                  | 22,073,000 |
| Accrued compensated absences – current portion | 6,115,000          | 413,000                 | 6,528,000  |
| Deferred revenue                     | 15,389,000              | 94,000                  | 15,483,000 |
| Capitalized lease obligations – current portion | 4,038,000           | 73,000                  | 4,111,000  |
| Long-term debt obligations – current portion | 7,838,000           | 1,495,000               | 9,333,000  |
| Self-insurance claims liability – current portion |               |                         |            |
| Depository accounts – current portion | 300,000                 |                         | 300,000    |
| Other liabilities                    | 6,469,000               | 7,819,000               | 14,288,000 |
| Total current liabilities            | 69,294,000              | 15,445,000              | 84,739,000 |

| Noncurrent liabilities:              |                         |                         |            |
| Accrued compensated absences, net of current portion | 4,094,000            | 493,000                 | 4,587,000  |
| Deferred revenue                     | 5,966,000               |                         | 5,966,000  |
| Capitalized lease obligations, net of current portion | 29,187,000          | 6,000                   | 29,193,000 |
| Long-term debt obligations, net of current portion | 303,394,000         | 57,570,000              | 360,964,000|
| Self-insurance claims liability, net of current portion |               |                         |            |
| Depository accounts                  | 4,187,000               | 8,990,000               | 13,177,000 |
| Other liabilities                    |                         | 1,250,000               | 1,250,000  |
| Total noncurrent liabilities         | 346,828,000             | 68,374,000              | 415,202,000|
| Total liabilities                    | 416,122,000             | 83,819,000              | 499,941,000|

Net assets:
Invested in capital assets, net of related debt | 281,865,000         | 4,965,000               | 286,830,000|

Restricted for:
Nonexpendable – endowments | 41,429,000          |                         | 41,429,000  |
Expendable:
Scholarships and fellowships | 3,720,000           |                         | 3,720,000  |
Research                     | 3,720,000           |                         | 3,720,000  |
Loans                        | 3,689,000           |                         | 3,689,000  |
Capital projects             | 3,689,000           |                         | 3,689,000  |
Debt service                 | 270,000             |                         | 270,000    |
Other                        | 15,183,000          |                         | 15,183,000 |
Unrestricted                 | 134,790,000         |                         | 134,790,000|

Total net assets            | $404,785,000         | 90,601,000              | 495,386,000|

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, FULLERTON  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

### Revenues:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $67,523,000)</td>
<td>$175,538,000</td>
<td>11,074,000</td>
<td>—</td>
<td>186,612,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>4,000</td>
<td>1,422,000</td>
<td>—</td>
<td>4,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>32,152,000</td>
<td>35,854,000</td>
<td>—</td>
<td>68,006,000</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>13,833,000</td>
<td>8,613,000</td>
<td>(212,000)</td>
<td>22,234,000</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(216,039,000)</td>
<td>(4,867,000)</td>
<td>435,000</td>
<td>(220,471,000)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>108,806,000</td>
<td>—</td>
<td>—</td>
<td>108,806,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>59,149,000</td>
<td>—</td>
<td>—</td>
<td>59,149,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>31,106,000</td>
<td>—</td>
<td>—</td>
<td>31,106,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>691,000</td>
<td>—</td>
<td>—</td>
<td>691,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>1,611,000</td>
<td>—</td>
<td>—</td>
<td>1,611,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>52,000</td>
<td>4,532,000</td>
<td>—</td>
<td>4,584,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>687,000</td>
<td>348,000</td>
<td>—</td>
<td>1,035,000</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>7,251,000</td>
<td>(2,288,000)</td>
<td>(435,000)</td>
<td>4,528,000</td>
</tr>
<tr>
<td>Net nonoperating revenues</td>
<td>192,922,000</td>
<td>1,254,000</td>
<td>(435,000)</td>
<td>193,741,000</td>
</tr>
<tr>
<td>Loss before other additions</td>
<td>(23,117,000)</td>
<td>(3,613,000)</td>
<td>—</td>
<td>(26,730,000)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>1,085,000</td>
<td>—</td>
<td>—</td>
<td>1,085,000</td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>426,817,000</td>
<td>90,726,000</td>
<td>—</td>
<td>517,543,000</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>426,817,000</td>
<td>92,006,000</td>
<td>—</td>
<td>518,823,000</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$ 404,785,000</td>
<td>90,601,000</td>
<td>—</td>
<td>495,386,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Cash Flows

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$175,064,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(69,312,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(257,613,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(74,086,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>4,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>32,152,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>11,182,000</td>
</tr>
<tr>
<td></td>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>108,815,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>59,148,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>31,106,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>691,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>1,611,000</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>52,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>718,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(348,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>12,800,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(12,789,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>7,268,000</td>
</tr>
<tr>
<td></td>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
</tr>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>16,495,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>555,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>647,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(21,653,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(12,333,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(9,695,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(16,784,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>337,000</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td><strong>Net cash used in capital and related financing activities</strong></td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>647,983,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(633,773,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>1,016,000</td>
</tr>
<tr>
<td></td>
<td><strong>Net cash provided by investing activities</strong></td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>(742,000)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
<td>1,068,000</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$326,000</td>
</tr>
<tr>
<td><strong>Summary of cash and cash equivalents at end of year:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$326,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
</tr>
</tbody>
</table>
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(216,039,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>35,455,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,916,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>531,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>(2,012,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>1,886,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td>1,133,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>160,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$(182,609,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$ 439,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td></td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(11,689,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td></td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>346,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>70,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, FULLERTON
### Transactions with Related Entities
### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$8,667,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>8,667,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>5,449,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>5,449,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>10,716,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>10,716,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>555,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>555,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>686,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>686,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>3,520,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(3,520,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(1,403,000)</td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td>1,403,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>362,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>362,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## HUMBOLDT STATE UNIVERSITY

**Statement of Net Assets**

**June 30, 2012**

### Current assets:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$51,000</td>
<td>2,713,000</td>
<td>2,764,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>47,946,000</td>
<td>10,470,000</td>
<td>58,416,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>783,000</td>
<td>5,359,000</td>
<td>6,142,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>87,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>973,000</td>
<td>204,000</td>
<td>1,177,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>49,753,000</td>
<td>18,833,000</td>
<td>68,586,000</td>
</tr>
</tbody>
</table>

### Noncurrent assets:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,131,000</td>
<td></td>
<td>1,131,000</td>
</tr>
<tr>
<td>Leases receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>3,139,000</td>
<td></td>
<td>3,139,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>259,000</td>
<td>259,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>1,883,000</td>
<td>20,861,000</td>
<td>22,744,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>4,687,000</td>
<td>8,599,000</td>
<td>13,286,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>218,265,000</td>
<td>2,723,000</td>
<td>220,988,000</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>79,000</td>
<td>79,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>229,105,000</td>
<td>32,539,000</td>
<td>261,644,000</td>
</tr>
</tbody>
</table>

### Total assets

- **Total assets**: $278,858,000
- **Discretely presented component units**: $51,372,000
- **Total**: $330,230,000

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>5,026,000</td>
<td>1,324,000</td>
<td>6,350,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>5,972,000</td>
<td>488,000</td>
<td>6,460,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>3,142,000</td>
<td>225,000</td>
<td>3,367,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,498,000</td>
<td>1,250,000</td>
<td>3,748,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>2,064,000</td>
<td>1,904,000</td>
<td>3,968,000</td>
</tr>
<tr>
<td>Long-term debt obligations – current portion</td>
<td>1,904,000</td>
<td>1,904,000</td>
<td>3,808,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>41,000</td>
<td>304,000</td>
<td>345,000</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,077,000</td>
<td>468,000</td>
<td>1,545,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>21,724,000</td>
<td>4,059,000</td>
<td>25,783,000</td>
</tr>
</tbody>
</table>

### Noncurrent liabilities:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>1,949,000</td>
<td>31,000</td>
<td>1,980,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants refundable</td>
<td>4,501,000</td>
<td></td>
<td>4,501,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>7,080,000</td>
<td>7,080,000</td>
<td>14,160,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>57,623,000</td>
<td>2,535,000</td>
<td>60,158,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>1,994,000</td>
<td>4,012,000</td>
<td>6,006,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td>612,000</td>
<td>612,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>73,147,000</td>
<td>7,190,000</td>
<td>80,337,000</td>
</tr>
</tbody>
</table>

### Total liabilities

- **Total liabilities**: $94,871,000
- **Nonexpendable – endowments**: $184,978,000
- **Expendable**: $40,123,000
- **Scholarships and fellowships**: $183,987,000
- **Research**: $44,903,000
- **Loans**: $843,000
- **Capital projects**: $2,929,000
- **Debt service**: $30,000
- **Other**: $612,000
- **Unrestricted**: $224,110,000
- **Net assets**: $150,116,000

## See accompanying independent auditors’ report.
# Humboldt State University

**Statement of Revenues, Expenses, and Changes in Net Assets**

**Year ended June 30, 2012**

<table>
<thead>
<tr>
<th>Revenues: Operating revenues:</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $23,445,000)</td>
<td>$38,374,000</td>
<td>1,746,000</td>
<td>(158,000)</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>98,000</td>
<td>8,793,000</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>5,110,000</td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>209,000</td>
<td></td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>224,000</td>
<td>3,431,000</td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $1,649,000)</td>
<td>12,350,000</td>
<td>14,234,000</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>6,325,000</td>
<td>3,268,000</td>
<td>(329,000)</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>57,371,000</td>
<td>36,791,000</td>
<td>(497,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses: Operating expenses:</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>45,704,000</td>
<td>444,000</td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>7,659,000</td>
<td>(130,000)</td>
</tr>
<tr>
<td>Public service</td>
<td>757,000</td>
<td>8,887,000</td>
<td>(32,000)</td>
</tr>
<tr>
<td>Academic support</td>
<td>15,296,000</td>
<td>881,000</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Student services</td>
<td>17,196,000</td>
<td>1,046,000</td>
<td>(32,000)</td>
</tr>
<tr>
<td>Institutional support</td>
<td>17,575,000</td>
<td>419,000</td>
<td></td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>16,700,000</td>
<td>330,000</td>
<td>(19,000)</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>19,345,000</td>
<td>330,000</td>
<td>(19,000)</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>8,110,000</td>
<td>15,768,000</td>
<td>(66,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>11,892,000</td>
<td>375,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>152,575,000</td>
<td>35,809,000</td>
<td>(289,000)</td>
</tr>
</tbody>
</table>

| Nonoperating revenues (expenses): State appropriations, noncapital | | | 59,397,000 |
| Federal financial aid grants, noncapital | 17,565,000 | | 17,565,000 |
| State financial aid grants, noncapital | 8,354,000 | | 8,354,000 |
| Local financial aid grants, noncapital | — | | |
| Nongovernmental and other financial aid grants, noncapital | 37,000 | | 37,000 |
| Gifts, noncapital | 2,036,000 | 4,061,000 | (2,466,000) | 3,631,000 |
| Investment income (loss), net | 178,000 | (183,000) | | (5,000) |
| Endowment income (loss), net | 11,000 | (396,000) | (385,000) |
| Interest expense | (3,480,000) | (18,000) | | (3,498,000) |
| **Other nonoperating revenues (expenses)** | 2,365,000 | (5,490,000) | 3,820,000 | 716,000 |

| Net nonoperating revenues (expenses) | 86,403,000 | (1,945,000) | 1,354,000 | 85,812,000 |

| Loss before other additions | (8,801,000) | (963,000) | 1,146,000 | (8,618,000) |

| State appropriations, capital | — | — | — |
| Grants and gifts, capital | 1,190,000 | 534,000 | (1,146,000) | 578,000 |
| Additions to permanent endowments | 3,000 | 389,000 | — | 392,000 |
| **Decrease in net assets** | (7,608,000) | (40,000) | — | (7,648,000) |

| Net assets: Net assets at beginning of year, as previously reported | 191,595,000 | 41,760,000 | | 233,355,000 |
| Restatements | — | (1,597,000) | | (1,597,000) |
| **Net assets at beginning of year, as restated** | 191,595,000 | 40,163,000 | — | 231,758,000 |

| Net assets at end of year | 183,987,000 | 40,123,000 | — | 224,110,000 |

See accompanying independent auditors’ report.
HUMBOLDT STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities:</td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
</tr>
<tr>
<td>Cash flows from noncapital financing activities:</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
</tr>
<tr>
<td>Cash flows from capital and related financing activities:</td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income received</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
</tr>
<tr>
<td>Summary of cash and cash equivalents at end of year:</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td>Total cash and cash equivalents at end of year</td>
</tr>
</tbody>
</table>

(Continued)
HUMBOLDT STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(95,204,000)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization</td>
<td>11,892,000</td>
</tr>
</tbody>
</table>

Change in assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>237,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>415,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>61,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(359,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>(56,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(31,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>735,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>36,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>488,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(169,000)</td>
</tr>
</tbody>
</table>

Net cash used in operating activities $ (81,955,000)

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$306,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(617,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>13,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>43,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 2,565,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>2,565,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>3,253,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>3,253,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>1,488,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>1,488,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>417,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>417,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>1,280,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>1,280,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>109,000</td>
</tr>
<tr>
<td>Accounts payable to University</td>
<td>(109,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>14,000</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>(14,000)</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(390,000)</td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td>390,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>12,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>12,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>(4,000)</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, LOS ANGELES  
Statement of Net Assets  
June 30, 2012

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$10,000</td>
<td>5,226,000</td>
<td>5,236,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>108,998,000</td>
<td>6,816,000</td>
<td>115,814,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,979,000</td>
<td>151,259,000</td>
<td>157,238,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>705,000</td>
<td>705,000</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>54,000</td>
<td>54,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>898,000</td>
<td>90,000</td>
<td>988,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>116,589,000</td>
<td>18,746,000</td>
<td>135,335,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>739,000</td>
<td>739,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,603,000</td>
<td>413,000</td>
<td>5,016,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>24,790,000</td>
<td>—</td>
<td>24,790,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>705,000</td>
<td>705,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>2,100,000</td>
<td>2,100,000</td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>145,000</td>
<td>145,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>15,511,000</td>
<td>15,511,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>7,924,000</td>
<td>12,908,000</td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>267,570,000</td>
<td>293,496,000</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>720,000</td>
<td>—</td>
<td>720,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>308,707,000</td>
<td>356,425,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>425,296,000</td>
<td>66,464,000</td>
<td>491,760,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>6,091,000</td>
<td>8,842,000</td>
<td>15,933,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>13,354,000</td>
<td>15,220,000</td>
<td>28,574,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>3,372,000</td>
<td>3,872,000</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>9,443,000</td>
<td>13,340,000</td>
<td>22,783,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>—</td>
<td>705,000</td>
<td>705,000</td>
</tr>
<tr>
<td>Student loans receivable, net of current portion</td>
<td>3,060,000</td>
<td>3,320,000</td>
<td></td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>—</td>
<td>255,000</td>
<td>255,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,251,000</td>
<td>2,018,000</td>
<td>3,269,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>36,571,000</td>
<td>47,578,000</td>
<td>84,149,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>4,984,000</td>
<td>5,134,000</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,501,000</td>
<td>—</td>
<td>2,501,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>74,275,000</td>
<td>76,825,000</td>
<td></td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td>61,000</td>
<td>61,000</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>2,034,000</td>
<td>5,716,000</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2,000</td>
<td>3,153,000</td>
<td>3,155,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>83,938,000</td>
<td>118,946,000</td>
<td>202,884,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>120,509,000</td>
<td>166,524,000</td>
<td>387,033,000</td>
</tr>
</tbody>
</table>

**Net assets:**

- Invested in capital assets, net of related debt | $215,895,000 | (3,064,000) | 212,831,000 |
- Restricted for:
  - Nonexpendable – endowments | —             | 16,303,000  | 16,303,000  |
  - Expendable:
    - Scholarships and fellowships | 1,018,000     | 6,879,000   | 7,897,000   |
    - Research | 81,000         | 81,000       |
    - Loans | 200,000         | 200,000      |
    - Capital projects | 421,000        | 421,000      |
    - Debt service | —             | —           |
    - Other | 1,623,000       | 1,623,000   |
    - Unrestricted | 85,630,000    | 86,979,000  | 172,619,000 |
| **Total net assets** | $304,787,000 | 325,236,000 | 630,023,000 |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, LOS ANGELES
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $72,933,000)</td>
<td>$67,080,000</td>
<td>26,912,000</td>
<td>—</td>
<td>93,992,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>1,997,000</td>
<td>—</td>
<td>—</td>
<td>1,997,000</td>
</tr>
<tr>
<td>State</td>
<td>159,000</td>
<td>—</td>
<td>—</td>
<td>159,000</td>
</tr>
<tr>
<td>Local</td>
<td>1,638,000</td>
<td>—</td>
<td>—</td>
<td>1,638,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>1,810,000</td>
<td>—</td>
<td>—</td>
<td>1,810,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>752,000</td>
<td></td>
<td>—</td>
<td>752,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $2,207,000)</td>
<td>9,495,000</td>
<td>4,718,000</td>
<td>—</td>
<td>14,213,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>7,257,000</td>
<td></td>
<td>—</td>
<td>7,282,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>84,584,000</td>
<td>37,859,000</td>
<td>—</td>
<td>122,443,000</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>95,843,000</td>
<td>26,241,000</td>
<td>—</td>
<td>122,084,000</td>
</tr>
<tr>
<td>Research</td>
<td>2,619,000</td>
<td>—</td>
<td>—</td>
<td>2,619,000</td>
</tr>
<tr>
<td>Public service</td>
<td>2,013,000</td>
<td>—</td>
<td>—</td>
<td>2,013,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>25,642,000</td>
<td>—</td>
<td>—</td>
<td>25,642,000</td>
</tr>
<tr>
<td>Student services</td>
<td>18,174,000</td>
<td>3,208,000</td>
<td>—</td>
<td>21,382,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>29,565,000</td>
<td>937,000</td>
<td>—</td>
<td>30,492,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>18,222,000</td>
<td>2,302,000</td>
<td>—</td>
<td>20,524,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>43,907,000</td>
<td>937,000</td>
<td>—</td>
<td>44,844,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>8,660,000</td>
<td>—</td>
<td>—</td>
<td>8,660,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,461,000</td>
<td>1,771,000</td>
<td>—</td>
<td>15,232,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>258,106,000</td>
<td>38,217,000</td>
<td>—</td>
<td>296,323,000</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(173,522,000)</td>
<td>(358,000)</td>
<td>—</td>
<td>(173,880,000)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>92,379,000</td>
<td>—</td>
<td>—</td>
<td>92,379,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>53,558,000</td>
<td>—</td>
<td>—</td>
<td>53,558,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>22,835,000</td>
<td>—</td>
<td>—</td>
<td>22,835,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>37,000</td>
<td>—</td>
<td>—</td>
<td>37,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>5,000</td>
<td>615,000</td>
<td>—</td>
<td>620,000</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>1,573,000</td>
<td>(21,000)</td>
<td>—</td>
<td>1,552,000</td>
</tr>
<tr>
<td>Endowment loss, net</td>
<td>(550,000)</td>
<td>(550,000)</td>
<td>—</td>
<td>(1,100,000)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(3,720,000)</td>
<td>(1,387,000)</td>
<td>—</td>
<td>(5,107,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>3,910,000</td>
<td>(853,000)</td>
<td>256,000</td>
<td>3,313,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues (expenses)</strong></td>
<td>170,678,000</td>
<td>(2,196,000)</td>
<td>256,000</td>
<td>168,736,000</td>
</tr>
<tr>
<td><strong>Loss before other additions</strong></td>
<td>(2,844,000)</td>
<td>(2,554,000)</td>
<td>256,000</td>
<td>(5,142,000)</td>
</tr>
<tr>
<td><strong>State appropriations, capital</strong></td>
<td>648,000</td>
<td>—</td>
<td>—</td>
<td>648,000</td>
</tr>
<tr>
<td><strong>Grants and gifts, capital</strong></td>
<td>356,000</td>
<td>—</td>
<td>(256,000)</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Additions to permanent endowments</strong></td>
<td>—</td>
<td>386,000</td>
<td>—</td>
<td>386,000</td>
</tr>
<tr>
<td><strong>Decrease in net assets</strong></td>
<td>(1,840,000)</td>
<td>(2,168,000)</td>
<td>—</td>
<td>(4,008,000)</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>306,627,000</td>
<td>22,617,000</td>
<td>—</td>
<td>329,244,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>306,627,000</td>
<td>22,617,000</td>
<td>—</td>
<td>329,244,000</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$304,787,000</td>
<td>20,449,000</td>
<td>—</td>
<td>325,236,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

| **Cash flows from noncapital financing activities:** |
| State appropriations | 92,379,000 |
| Federal financial aid grants | 53,558,000 |
| State financial aid grants | 22,521,000 |
| Local financial aid grants | — |
| Nongovernmental and other financial aid grants | 37,000 |
| Other federal nonoperating grants | 101,000 |
| Federal loan program receipts | 70,603,000 |
| Federal loan program disbursements | (70,902,000) |
| Monies received on behalf of others | 6,136,000 |
| Monies disbursed on behalf of others | (5,689,000) |
| Other noncapital financing activities | 2,558,000 |
| **Net cash provided by noncapital financing activities** | 171,307,000 |

| **Cash flows from capital and related financing activities:** |
| Proceeds from capital debt | — |
| State appropriations | 7,994,000 |
| Capital grants and gifts | 256,000 |
| Proceeds from sale of capital assets | 31,000 |
| Acquisition of capital assets | (16,046,000) |
| Issuance of notes receivable | — |
| Transfers to escrow agent | — |
| Principal paid on capital debt and leases | (2,935,000) |
| Interest paid on capital debt and leases | (3,875,000) |
| Principal payments received on capital leases | 1,430,000 |
| Interest payments received on capital leases | 1,274,000 |
| Principal payments received on notes receivable | — |
| Interest payments received on notes receivable | — |
| **Net cash used in capital and related financing activities** | (11,871,000) |

| **Cash flows from investing activities:** |
| Proceeds from sales and maturities of investments | 187,516,000 |
| Purchases of investments | (186,792,000) |
| Investment income received | 346,000 |
| **Net cash provided by investing activities** | 1,070,000 |
| **Net increase in cash and cash equivalents** | 3,000 |
| **Cash and cash equivalents at beginning of year** | 7,000 |
| **Cash and cash equivalents at end of year** | $10,000 |

| **Summary of cash and cash equivalents at end of year:** |
| Cash and cash equivalents | $10,000 |
| Restricted cash and cash equivalents | — |
| **Total cash and cash equivalents at end of year** | $10,000 |
CALIFORNIA STATE UNIVERSITY, LOS ANGELES
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(173,522,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,461,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(2,237,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>132,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>150,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,707,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>(81,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>222,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,338,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>612,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>129,000</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>$(160,503,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$—</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td></td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>1,360,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(2,269,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>$—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>90,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>40,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, LOS ANGELES  
Transactions with Related Entities  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$4,688,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>4,688,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>4,285,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>4,285,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>2,029,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>2,029,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>6,019,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(6,019,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(241,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>241,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>361,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>361,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
**CALIFORNIA STATE UNIVERSITY, LONG BEACH**  
**Statement of Net Assets**  
**June 30, 2012**

### Discretely Presented Component Units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$150,000</td>
<td>4,011,000</td>
<td>4,161,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>186,245,000</td>
<td>41,136,000</td>
<td>227,381,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,882,000</td>
<td>18,237,000</td>
<td>24,119,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>195,371,000</td>
<td>68,075,000</td>
<td>263,446,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>647,000</td>
<td>16,803,000</td>
<td>17,450,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>11,290,000</td>
<td>6,855,000</td>
<td>18,145,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>465,088,000</td>
<td>59,905,000</td>
<td>524,993,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>220,000</td>
<td></td>
<td>220,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>483,518,000</td>
<td>130,106,000</td>
<td>613,624,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>678,889,000</td>
<td>198,181,000</td>
<td>877,070,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>7,787,000</td>
<td>4,914,000</td>
<td>12,701,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>24,384,000</td>
<td>2,096,000</td>
<td>26,390,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>8,650,000</td>
<td>2,264,000</td>
<td>10,914,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>36,574,000</td>
<td>6,513,000</td>
<td>43,087,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2,584,000</td>
<td>951,000</td>
<td>3,535,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>83,829,000</td>
<td>18,134,000</td>
<td>101,963,000</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>5,906,000</td>
<td></td>
<td>5,906,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>7,303,000</td>
<td></td>
<td>7,303,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>118,237,000</td>
<td>35,989,000</td>
<td>154,226,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td>486,000</td>
<td></td>
<td>486,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>5,820,000</td>
<td>20,865,000</td>
<td>26,685,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>138,172,000</td>
<td>66,252,000</td>
<td>204,424,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>222,001,000</td>
<td>84,386,000</td>
<td>306,387,000</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>349,540,000</td>
<td>23,166,000</td>
<td>372,706,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>314,000</td>
<td></td>
<td>314,000</td>
</tr>
<tr>
<td>Capital projects</td>
<td>514,000</td>
<td></td>
<td>514,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>10,000</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Other</td>
<td>1,000</td>
<td>35,994,000</td>
<td>35,995,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>106,509,000</td>
<td>3,959,000</td>
<td>110,468,000</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$456,888,000</td>
<td>113,795,000</td>
<td>570,683,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $93,193,000)</td>
<td>149,562,000</td>
<td>8,972,000</td>
<td>—</td>
<td>158,534,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>26,000</td>
<td>26,390,000</td>
<td>—</td>
<td>26,416,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>4,777,000</td>
<td>—</td>
<td>4,777,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>1,688,000</td>
<td>—</td>
<td>1,688,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>81,000</td>
<td>4,585,000</td>
<td>—</td>
<td>4,666,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>3,458,000</td>
<td>—</td>
<td>—</td>
<td>3,458,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $8,675,000)</td>
<td>21,521,000</td>
<td>38,360,000</td>
<td>—</td>
<td>59,881,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>8,741,000</td>
<td>9,513,000</td>
<td>—</td>
<td>18,254,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>183,389,000</td>
<td>94,285,000</td>
<td>—</td>
<td>277,674,000</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>173,135,000</td>
<td>13,300,000</td>
<td>—</td>
<td>186,435,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,416,000</td>
<td>13,467,000</td>
<td>—</td>
<td>14,883,000</td>
</tr>
<tr>
<td>Public service</td>
<td>2,203,000</td>
<td>5,864,000</td>
<td>—</td>
<td>8,067,000</td>
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<tr>
<td>Academic support</td>
<td>42,499,000</td>
<td>2,528,000</td>
<td>—</td>
<td>45,027,000</td>
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<tr>
<td>Student services</td>
<td>41,417,000</td>
<td>15,673,000</td>
<td>(735,000)</td>
<td>56,355,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>32,829,000</td>
<td>10,616,000</td>
<td>(2,198,000)</td>
<td>41,247,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>36,914,000</td>
<td>—</td>
<td>(457,000)</td>
<td>37,371,000</td>
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<tr>
<td>Student grants and scholarships</td>
<td>52,005,000</td>
<td>2,044,000</td>
<td>(792,000)</td>
<td>53,257,000</td>
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<tr>
<td>Auxiliary enterprise expenses</td>
<td>17,245,000</td>
<td>31,206,000</td>
<td>(6,700)</td>
<td>48,384,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>28,404,000</td>
<td>2,945,000</td>
<td>—</td>
<td>31,349,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>428,067,000</td>
<td>98,100,000</td>
<td>(3,792,000)</td>
<td>522,375,000</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(244,678,000)</td>
<td>(3,815,000)</td>
<td>3,792,000</td>
<td>(244,701,000)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>123,539,000</td>
<td>—</td>
<td>—</td>
<td>123,539,000</td>
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<tr>
<td>Federal financial aid grants, noncapital</td>
<td>63,665,000</td>
<td>—</td>
<td>—</td>
<td>63,665,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>37,224,000</td>
<td>—</td>
<td>—</td>
<td>37,224,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>1,887,000</td>
<td>8,684,000</td>
<td>(1,594,000)</td>
<td>8,977,000</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>601,000</td>
<td>(1,114,000)</td>
<td>—</td>
<td>(513,000)</td>
</tr>
<tr>
<td>Endowment loss, net</td>
<td>(722,000)</td>
<td>—</td>
<td>(722,000)</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(6,147,000)</td>
<td>(1,781,000)</td>
<td>—</td>
<td>(7,928,000)</td>
</tr>
<tr>
<td><strong>Other nonoperating revenues (expenses)</strong></td>
<td>6,224,000</td>
<td>(48,000)</td>
<td>—</td>
<td>6,176,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>226,993,000</td>
<td>5,019,000</td>
<td>(1,594,000)</td>
<td>230,418,000</td>
</tr>
<tr>
<td><strong>Income (loss) before other additions</strong></td>
<td>17,685,000</td>
<td>1,204,000</td>
<td>2,198,000</td>
<td>(14,283,000)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>2,000</td>
<td>—</td>
<td>—</td>
<td>2,000</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>2,656,000</td>
<td>—</td>
<td>(2,198,000)</td>
<td>458,000</td>
</tr>
<tr>
<td><strong>Additions to permanent endowments</strong></td>
<td>—</td>
<td>2,153,000</td>
<td>—</td>
<td>2,153,000</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>(15,027,000)</td>
<td>3,357,000</td>
<td>—</td>
<td>(11,670,000)</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>471,915,000</td>
<td>110,438,000</td>
<td>—</td>
<td>582,353,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>471,915,000</td>
<td>110,438,000</td>
<td>—</td>
<td>582,353,000</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>456,888,000</td>
<td>113,795,000</td>
<td>—</td>
<td>570,683,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
<th>$152,695,000</th>
<th>$26,000</th>
<th>$1,000</th>
<th>$113,000</th>
<th>$21,312,000</th>
<th>$150,000</th>
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<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$152,695,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State grants and contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(69,629,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(280,072,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to students</td>
<td>(51,954,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collections of student loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(216,114,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from noncapital financing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>123,539,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>63,664,000</td>
<td></td>
<td></td>
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<tr>
<td>Local financial aid grants</td>
<td>37,224,000</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>1,593,000</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>117,929,000</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(117,685,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>3,583,000</td>
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<tr>
<td>Monies disbursed on behalf of others</td>
<td>(2,829,000)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>6,653,000</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
<td>233,671,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from capital and related financing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>2,548,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>74,000</td>
<td></td>
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</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(7,081,000)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(3,705,000)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(6,253,000)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
<td>(14,417,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>598,751,000</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(602,541,000)</td>
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<td></td>
</tr>
<tr>
<td>Investment income received</td>
<td>646,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(3,144,000)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(4,000)</td>
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<td>Cash and cash equivalents at beginning of year</td>
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</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$150,000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summary of cash and cash equivalents at end of year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$150,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash and cash equivalents at end of year</td>
<td>$150,000</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>($244,678,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>28,404,000</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(1,172,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>14,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(437,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(2,984,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>641,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(324,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>3,287,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>1,398,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(263,000)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>($216,114,000)</strong></td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$2,656,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>265,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>293,000</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>46,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>35,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## California State University, Long Beach

### Transactions with Related Entities

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$4,234,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>4,234,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>5,108,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>5,108,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>6,969,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>6,969,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>67,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>67,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>3,724,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>3,340,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>3,076,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(2,693,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(493,000)</td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td>857,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>(486,000)</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>288,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>288,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## California Maritime Academy

### Statement of Net Assets

**June 30, 2012**

### Discretely Presented Component Units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$65,000</td>
<td>1,774,000</td>
<td>1,839,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>19,953,000</td>
<td>94,000</td>
<td>20,047,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,647,000</td>
<td>13,000</td>
<td>1,660,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>1,083,000</td>
<td>1,083,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,812,000</td>
<td>156,000</td>
<td>1,968,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>23,477,000</td>
<td>3,144,000</td>
<td>26,621,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>206,000</td>
<td>206,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,560,000</td>
<td>54,000</td>
<td>1,614,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>143,000</td>
<td>143,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>3,090,000</td>
<td>3,090,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>527,000</td>
<td>257,000</td>
<td>527,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>64,248,000</td>
<td>902,000</td>
<td>65,150,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>66,335,000</td>
<td>4,395,000</td>
<td>70,730,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>89,812,000</td>
<td>7,539,000</td>
<td>97,351,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

| Current liabilities:          |        |                         |       |
| Accounts payable              | 2,538,000 | 30,000      | 2,568,000 |
| Accrued salaries and benefits payable | 1,110,000 | —            | 1,110,000 |
| Accrued compensated absences – current portion | 650,000 | —          | 650,000 |
| Deferred revenue              | 92,000  | —            | 92,000  |
| Capitalized lease obligations – current portion | 319,000 | 6,000       | 325,000  |
| Self-insurance claims liability – current portion | — | — | — |
| Depository accounts – current portion | — | — | — |
| **Total current liabilities** | 4,983,000 | 187,000 | 5,170,000 |
| Noncurrent liabilities:       |        |                         |       |
| Accrued compensated absences, net of current portion | 738,000 | — | 738,000 |
| Deferred revenue              | 1,800,000 | — | 1,800,000 |
| Capitalized lease obligations, net of current portion | — | — | — |
| Long-term debt obligations, net of current portion | 13,503,000 | 52,000 | 13,555,000 |
| Self-insurance claims liability, net of current portion | — | — | — |
| Depository accounts           | 132,000 | — | 132,000 |
| Other postemployment benefits obligation | 777,000 | — | 777,000 |
| **Total noncurrent liabilities** | 16,950,000 | 52,000 | 17,002,000 |
| **Total liabilities**         | 21,933,000 | 239,000 | 22,172,000 |

### Net assets:

| Invested in capital assets, net of related debt | 51,434,000 | 902,000 | 52,336,000 |
| Restricted for:                                  |        |                         |       |
| Nonexpendable – endowments                       | —      | 3,720,000 | 3,720,000 |
| Expendable:                                      |        |                         |       |
| Scholarships and fellowships                     | —      | — | — |
| Research                                         | —      | — | — |
| Loans                                            | —      | — | — |
| Capital projects                                 | 1,248,000 | 94,000 | 1,342,000 |
| Debt service                                     | —      | — | — |
| Other                                            | 3,154,000 | 1,833,000 | 4,987,000 |
| Unrestricted                                     | 12,043,000 | 751,000 | 12,794,000 |
| **Total net assets**                             | $67,879,000 | 7,300,000 | 75,179,000 |

See accompanying independent auditors’ report.
CALIFORNIA MARITIME ACADEMY  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,787,000</td>
<td>181,000</td>
<td>—</td>
<td>7,968,000</td>
</tr>
</tbody>
</table>

Revenues:

Operating revenues:
- Student tuition and fees (net of scholarship allowances of $1,708,000) $7,787,000
- Grants and contracts, noncapital:
  - Federal 3,395,000
  - State 37,000
  - Nongovernmental 190,000
- Sales and services of auxiliary enterprises (net of scholarship allowances of $1,103,000) 5,930,000
- Other operating revenues 1,019,000

Total operating revenues 18,358,000

Expenditures:

Operating expenses:
- Instruction 12,762,000
- Research 2,277,000
- Public service 19,000
- Academic support 1,671,000
- Student services 4,873,000
- Institutional support 5,982,000
- Operation and maintenance of plant 3,709,000
- Student grants and scholarships 1,116,000
- Auxiliary enterprise expenses 5,155,000
- Depreciation and amortization 3,455,000

Total operating expenses 41,019,000

Operating income (loss) (22,661,000)

Nonoperating revenues (expenses):
- State appropriations, noncapital 21,586,000
- Federal financial aid grants, noncapital 1,538,000
- State financial aid grants, noncapital 436,000
- Local financial aid grants, noncapital 322,000
- Nongovernmental and other financial aid grants, noncapital 3,000
- Gifts, noncapital 102,000
- Investment income (loss), net 78,000
- Endowment income, net 445,000
- Interest expense (736,000)

Net nonoperating revenues 23,443,000

Income before other additions 782,000

State appropriations, capital 224,000

Additions (reductions) to permanent endowments 1,006,000

Increase in net assets 1,636,000

Net assets:
- Net assets at beginning of year, as previously reported 66,873,000
- Net assets at beginning of year, as restated 66,873,000

Net assets at end of year $67,879,000

See accompanying independent auditors’ report.
CALIFORNIA MARITIME ACADEMY
Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$ 6,227,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>2,179,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>26,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>163,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(12,800,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(22,297,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(1,116,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>5,956,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>1,028,000</td>
</tr>
<tr>
<td></td>
<td>Net cash used in operating activities</td>
</tr>
<tr>
<td>Cash flows from noncapital financing activities:</td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>21,585,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>1,538,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>436,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>322,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>102,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>6,772,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(6,742,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>236,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(218,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>1,315,000</td>
</tr>
<tr>
<td></td>
<td>Net cash provided by noncapital financing activities</td>
</tr>
<tr>
<td>Cash flows from capital and related financing activities:</td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations</td>
<td>176,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>191,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(3,253,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>—</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(310,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(745,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Net cash used in capital and related financing activities</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>60,945,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(61,729,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>38,000</td>
</tr>
<tr>
<td></td>
<td>Net cash used in investing activities</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>25,000</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>40,000</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$ 65,000</td>
</tr>
<tr>
<td>Summary of cash and cash equivalents at end of year:</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 65,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Total cash and cash equivalents at end of year</td>
</tr>
</tbody>
</table>
CALIFORNIA MARITIME ACADEMY
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Adjustment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(22,661,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>3,455,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$(1,230,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>$(1,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,399,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>$(349,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>85,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$(1,546,000)</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>10,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>185,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>19,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$(20,634,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$33,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>$1,734,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>$(30,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>33,000</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>$(9,000)</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ —</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>—</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>103,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>103,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>8,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>8,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>326,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>326,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>12,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(12,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### Statement of Net Assets

**June 30, 2012**

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>37,512,000</td>
<td>1,272,000</td>
<td>38,784,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,946,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>1,795,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>565,000</td>
<td>479,000</td>
<td>1,044,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>41,818,000</td>
<td>19,939,000</td>
<td>61,757,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,145,000</td>
<td>25,000</td>
<td>1,170,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>63,185,000</td>
<td></td>
<td>63,185,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>21,000</td>
<td>21,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td>13,914,000</td>
<td>13,914,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>1,461,000</td>
<td>28,587,000</td>
<td>30,048,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>248,547,000</td>
<td>13,914,000</td>
<td>262,461,000</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>314,338,000</td>
<td>104,604,000</td>
<td>418,942,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>356,156,000</td>
<td>124,543,000</td>
<td>480,699,000</td>
</tr>
</tbody>
</table>

#### Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>3,595,000</td>
<td>2,579,000</td>
<td>6,174,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>4,437,000</td>
<td>616,000</td>
<td>5,053,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>1,977,000</td>
<td>443,000</td>
<td>2,420,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,633,000</td>
<td>1,095,000</td>
<td>2,728,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>749,000</td>
<td>1,795,000</td>
<td>2,544,000</td>
</tr>
<tr>
<td>Long-term debt obligations – current portion</td>
<td>2,065,000</td>
<td></td>
<td>2,065,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>752,000</td>
<td>19,000</td>
<td>771,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>15,208,000</td>
<td>6,547,000</td>
<td>21,755,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>1,460,000</td>
<td></td>
<td>1,460,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>1,865,000</td>
<td>62,886,000</td>
<td>64,751,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>66,202,000</td>
<td></td>
<td>66,202,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td>546,000</td>
<td>1,118,000</td>
<td>1,664,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>757,000</td>
<td></td>
<td>757,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>70,831,000</td>
<td>64,147,000</td>
<td>134,978,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>86,039,000</td>
<td>70,694,000</td>
<td>156,733,000</td>
</tr>
</tbody>
</table>

**Net assets:**

- Invested in capital assets, net of related debt | 242,647,000 | (2,728,000) | 239,919,000 |
- Restricted:
  - Nonexpendable – endowments |          | 9,460,000 | 9,460,000 |
  - Expendable:
    - Scholarships and fellowships | 727,000 | 3,035,000 | 3,762,000 |
    - Research | 425,000 |             | 425,000 |
    - Loans | 1,000 |             | 1,000 |
    - Capital projects | 682,000 | 10,000 | 692,000 |
    - Debt service |          |             |          |
    - Other |          |             |          |
- Unrestricted | 26,060,000 | 5,529,000 | 31,589,000 |

**Total net assets** | $270,117,000 | 53,849,000 | 323,966,000 |

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

### Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Revenue/Expense Category</th>
<th>Campus</th>
<th>Auxiliary organization</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $14,544,000)</td>
<td>$22,863,000</td>
<td></td>
<td></td>
<td>22,863,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td>71,177,000</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment loss, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td>68,063,000</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restatements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*See accompanying independent auditors’ report.*
CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$24,075,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(19,016,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(62,298,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(11,393,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>813,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>5,214,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(62,605,000)</td>
</tr>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>50,221,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>11,479,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>4,453,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>596,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>—</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>—</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(216,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>1,396,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>67,929,000</td>
</tr>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>16,300,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>2,157,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(7,343,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(16,890,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(2,869,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(3,094,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>2,785,000</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>2,874,000</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(6,080,000)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>149,445,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(148,545,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>(144,000)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>756,000</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents</strong></td>
<td>—</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
<td>—</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$ —</td>
</tr>
</tbody>
</table>

**Summary of cash and cash equivalents at end of year:**

| Cash and cash equivalents | $ — |
| Restricted cash and cash equivalents | — |

**Total cash and cash equivalents at end of year**

$ —

(Continued)
CALIFORNIA STATE UNIVERSITY, MONTEREY BAY
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(78,795,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,767,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>202,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(424,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,163,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>331,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>230,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>907,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>219,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(205,000)</td>
</tr>
</tbody>
</table>

Net cash used in operating activities $ (62,605,000)

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$ —</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>(946,000)</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>100,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY
### Transactions with Related Entities
#### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$1,770,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>1,770,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>2,883,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>2,883,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>75,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>1,648,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>1,648,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>1,043,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(1,043,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(252,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>252,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>19,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>19,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Statement of Net Assets
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12,000</td>
<td>16,560,000</td>
<td>16,572,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>206,949,000</td>
<td>36,988,000</td>
<td>243,937,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>6,791,000</td>
<td>3,901,000</td>
<td>10,692,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>320,000</td>
<td>—</td>
<td>320,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>1,387,000</td>
<td>1,387,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>3,901,000</td>
<td>3,901,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>3,078,000</td>
<td>717,000</td>
<td>3,795,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>217,150,000</td>
<td>66,498,000</td>
<td>283,648,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>602,000</td>
<td>602,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,000</td>
<td>755,000</td>
<td>760,000</td>
</tr>
<tr>
<td>Leases receivable, net of current port</td>
<td>8,695,000</td>
<td>—</td>
<td>8,695,000</td>
</tr>
<tr>
<td>Notes receivable, net of current port</td>
<td>—</td>
<td>417,000</td>
<td>417,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>2,423,000</td>
<td>—</td>
<td>2,423,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>1,922,000</td>
<td>1,922,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>57,858,000</td>
<td>57,858,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>4,499,000</td>
<td>11,323,000</td>
<td>15,822,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>513,536,000</td>
<td>22,830,000</td>
<td>536,366,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>1,578,000</td>
<td>1,578,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>529,158,000</td>
<td>97,285,000</td>
<td>626,443,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>746,308,000</td>
<td>163,783,000</td>
<td>910,091,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>11,541,000</td>
<td>2,341,000</td>
<td>13,882,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>20,347,000</td>
<td>1,928,000</td>
<td>22,275,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>8,966,000</td>
<td>472,000</td>
<td>9,438,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>22,799,000</td>
<td>2,667,000</td>
<td>25,466,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>2,423,000</td>
<td>1,922,000</td>
<td>4,345,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>7,849,000</td>
<td>520,000</td>
<td>8,369,000</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>584,000</td>
<td>1,933,000</td>
<td>2,517,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2,333,000</td>
<td>144,000</td>
<td>2,477,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>74,419,000</td>
<td>11,548,000</td>
<td>85,967,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>5,547,000</td>
<td>225,000</td>
<td>5,772,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>3,674,000</td>
<td>19,000</td>
<td>3,893,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>3,674,000</td>
<td>19,000</td>
<td>3,893,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>513,536,000</td>
<td>22,830,000</td>
<td>536,366,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td>513,536,000</td>
<td>22,830,000</td>
<td>536,366,000</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>6,564,000</td>
<td>4,458,000</td>
<td>11,022,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>14,000</td>
<td>—</td>
<td>14,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>177,926,000</td>
<td>18,819,000</td>
<td>196,745,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>252,345,000</td>
<td>30,367,000</td>
<td>282,712,000</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>353,126,000</td>
<td>6,714,000</td>
<td>359,840,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>—</td>
<td>41,907,000</td>
<td>41,907,000</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>413,000</td>
<td>12,879,000</td>
<td>13,292,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>2,961,000</td>
<td>2,961,000</td>
</tr>
<tr>
<td>Loans</td>
<td>305,000</td>
<td>—</td>
<td>305,000</td>
</tr>
<tr>
<td>Capital projects</td>
<td>1,615,000</td>
<td>2,586,000</td>
<td>4,201,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>404,000</td>
<td>—</td>
<td>404,000</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>33,151,000</td>
<td>33,151,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>138,100,000</td>
<td>33,218,000</td>
<td>171,318,000</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$ 493,963,000</td>
<td>133,416,000</td>
<td>627,379,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $107,531,000)</td>
<td>$168,381,000</td>
<td>15,018,000</td>
<td>—</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>25,236,000</td>
<td>—</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>1,125,000</td>
<td>—</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>1,119,000</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>1,554,000</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>1,333,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>30,202,000</td>
<td>16,401,000</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>13,496,000</td>
<td>3,053,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>213,412,000</td>
<td>63,506,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>156,666,000</td>
<td>196,000</td>
<td>(152,000)</td>
</tr>
<tr>
<td>Research</td>
<td>3,004,000</td>
<td>25,694,000</td>
<td>—</td>
</tr>
<tr>
<td>Public service</td>
<td>1,534,000</td>
<td>301,000</td>
<td>—</td>
</tr>
<tr>
<td>Academic support</td>
<td>41,688,000</td>
<td>381,000</td>
<td>—</td>
</tr>
<tr>
<td>Student services</td>
<td>58,036,000</td>
<td>8,488,000</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>36,508,000</td>
<td>13,778,000</td>
<td>—</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>30,714,000</td>
<td>1,982,000</td>
<td>—</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>68,385,000</td>
<td>1,571,000</td>
<td>—</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>17,683,000</td>
<td>14,969,000</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>27,125,000</td>
<td>1,927,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>441,343,000</td>
<td>67,394,000</td>
<td>(1,927,000)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(227,931,000)</td>
<td>(3,888,000)</td>
<td>—</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>123,312,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>73,959,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>36,888,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>3,239,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>702,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>77,000</td>
<td>5,708,000</td>
<td>—</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>1,261,000</td>
<td>(2,088,000)</td>
<td>—</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>3,239,000</td>
<td>34,000</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(7,167,000)</td>
<td>(538,000)</td>
<td>—</td>
</tr>
<tr>
<td>Other nonoperating revenues</td>
<td>2,099,000</td>
<td>3,149,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>234,370,000</td>
<td>6,313,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Income before other additions</strong></td>
<td>6,439,000</td>
<td>2,425,000</td>
<td>1,927,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>347,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>2,403,000</td>
<td>—</td>
<td>(1,927,000)</td>
</tr>
<tr>
<td><strong>Additions to permanent endowments</strong></td>
<td>697,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>9,189,000</td>
<td>3,122,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>484,774,000</td>
<td>130,294,000</td>
<td>—</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net assets at beginning of year, as restated</strong></td>
<td>484,774,000</td>
<td>130,294,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$493,963,000</td>
<td>133,416,000</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal cooperating grants</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income received</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary of cash and cash equivalents at end of year:</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
</tr>
</tbody>
</table>
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(227,931,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>27,125,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(1,581,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>478,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(615,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(813,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>1,346,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(63,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>4,810,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>1,664,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(38,000)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>$(195,618,000)</strong></td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$152,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td></td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(4,183,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td></td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>367,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>243,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$2,684,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>2,684,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>3,651,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>3,651,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>12,587,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>12,587,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>144,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>317,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>8,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>47,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>686,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(766,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>72,000</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>(72,000)</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(772,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>773,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>214,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>214,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>(9,000)</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA
### Statement of Net Assets
#### June 30, 2012

### Discretely presented component units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$16,000</td>
<td>7,081,000</td>
<td>7,097,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>125,386,000</td>
<td>29,896,000</td>
<td>155,282,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,528,000</td>
<td>5,904,000</td>
<td>9,432,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>750,000</td>
<td>—</td>
<td>750,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>5,000</td>
<td>—</td>
<td>5,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>400,000</td>
<td>2,465,000</td>
<td>2,865,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>2,182,000</td>
<td>3,079,000</td>
<td>5,261,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>132,267,000</td>
<td>48,425,000</td>
<td>180,692,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>953,000</td>
<td>953,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,519,000</td>
<td>—</td>
<td>1,519,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>27,955,000</td>
<td>—</td>
<td>27,955,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>123,000</td>
<td>—</td>
<td>123,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>5,413,000</td>
<td>—</td>
<td>5,413,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>792,000</td>
<td>6,710,000</td>
<td>7,502,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>54,618,000</td>
<td>54,618,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>19,677,000</td>
<td>7,823,000</td>
<td>27,500,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>398,699,000</td>
<td>57,933,000</td>
<td>456,632,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>454,178,000</td>
<td>128,037,000</td>
<td>582,215,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>586,445,000</td>
<td>176,462,000</td>
<td>762,907,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>5,097,000</td>
<td>2,474,000</td>
<td>7,571,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>12,523,000</td>
<td>821,000</td>
<td>13,344,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>5,994,000</td>
<td>551,000</td>
<td>6,545,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>6,259,000</td>
<td>1,132,000</td>
<td>7,391,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>5,013,000</td>
<td>756,000</td>
<td>5,769,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>—</td>
<td>5,013,000</td>
<td>5,013,000</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>176,000</td>
<td>—</td>
<td>176,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,651,000</td>
<td>4,379,000</td>
<td>9,030,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>39,823,000</td>
<td>10,113,000</td>
<td>49,936,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>3,186,000</td>
<td>263,000</td>
<td>3,449,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,728,000</td>
<td>—</td>
<td>5,728,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>—</td>
<td>28,999,000</td>
<td>28,999,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>171,231,000</td>
<td>—</td>
<td>171,231,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td>—</td>
<td>5,013,000</td>
<td>5,013,000</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
<td>677,000</td>
<td>677,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>2,594,000</td>
<td>5,044,000</td>
<td>7,638,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>—</td>
<td>874,000</td>
<td>874,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>182,739,000</td>
<td>35,857,000</td>
<td>218,596,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>222,562,000</td>
<td>45,970,000</td>
<td>268,532,000</td>
</tr>
</tbody>
</table>

### Net assets:

<table>
<thead>
<tr>
<th>Net assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>251,159,000</td>
<td>28,179,000</td>
<td>279,338,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>—</td>
<td>51,102,000</td>
<td>51,102,000</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>88,000</td>
<td>7,464,000</td>
<td>7,552,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loans</td>
<td>357,000</td>
<td>—</td>
<td>357,000</td>
</tr>
<tr>
<td>Capital projects</td>
<td>6,809,000</td>
<td>1,743,000</td>
<td>8,552,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>357,000</td>
<td>29,048,000</td>
<td>29,405,000</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>363,883,000</td>
<td>130,492,000</td>
<td>494,375,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2012

### Revenues:

#### Operating revenues:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $56,726,000)</td>
<td>$81,728,000</td>
<td>8,427,000</td>
<td>(3,132,000)</td>
<td>87,023,000</td>
</tr>
</tbody>
</table>

**Grants and contracts, noncapital:**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>—</td>
<td>7,704,000</td>
<td>—</td>
<td>7,704,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>3,424,000</td>
<td>—</td>
<td>3,424,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>2,268,000</td>
<td>—</td>
<td>2,268,000</td>
</tr>
</tbody>
</table>

**Sales and services of educational activities**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,000</td>
<td>8,646,000</td>
<td>—</td>
<td>8,649,000</td>
</tr>
</tbody>
</table>

**Sales and services of auxiliary enterprises (net of scholarship allowances of $7,018,000)**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19,141,000</td>
<td>35,716,000</td>
<td>—</td>
<td>54,857,000</td>
</tr>
</tbody>
</table>

**Other operating revenues**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,145,000</td>
<td>2,988,000</td>
<td>—</td>
<td>9,133,000</td>
</tr>
</tbody>
</table>

**Total operating revenues**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>107,017,000</td>
<td>69,173,000</td>
<td>(3,132,000)</td>
<td>173,058,000</td>
</tr>
</tbody>
</table>

### Expenses:

#### Operating expenses:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>99,210,000</td>
<td>10,020,000</td>
<td>—</td>
<td>109,230,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,245,000</td>
<td>4,800,000</td>
<td>—</td>
<td>6,045,000</td>
</tr>
<tr>
<td>Public service</td>
<td>174,000</td>
<td>349,000</td>
<td>—</td>
<td>523,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>26,392,000</td>
<td>4,741,000</td>
<td>—</td>
<td>31,133,000</td>
</tr>
<tr>
<td>Student services</td>
<td>27,062,000</td>
<td>6,023,000</td>
<td>—</td>
<td>33,085,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>24,390,000</td>
<td>349,000</td>
<td>—</td>
<td>26,723,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>26,802,000</td>
<td>46,000</td>
<td>(389,000)</td>
<td>26,459,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>31,723,000</td>
<td>1,121,000</td>
<td>(2,121,000)</td>
<td>30,723,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>12,524,000</td>
<td>34,949,000</td>
<td>(3,132,000)</td>
<td>44,341,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>20,731,000</td>
<td>3,738,000</td>
<td>—</td>
<td>24,469,000</td>
</tr>
</tbody>
</table>

**Total operating expenses**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>270,253,000</td>
<td>68,120,000</td>
<td>(5,642,000)</td>
<td>332,731,000</td>
</tr>
</tbody>
</table>

**Operating income (loss)**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(163,236,000)</td>
<td>1,053,000</td>
<td>2,510,000</td>
<td>(159,673,000)</td>
</tr>
</tbody>
</table>

### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>92,381,000</td>
<td>—</td>
<td>—</td>
<td>92,381,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>39,841,000</td>
<td>—</td>
<td>—</td>
<td>39,841,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>20,517,000</td>
<td>—</td>
<td>—</td>
<td>20,517,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>2,307,000</td>
<td>—</td>
<td>(1,884,000)</td>
<td>423,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>1,052,000</td>
<td>8,607,000</td>
<td>(717,000)</td>
<td>8,942,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>1,773,000</td>
<td>149,000</td>
<td>—</td>
<td>1,922,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>263,000</td>
<td>—</td>
<td>—</td>
<td>263,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(8,709,000)</td>
<td>(1,422,000)</td>
<td>—</td>
<td>(10,131,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>3,544,000</td>
<td>(3,838,000)</td>
<td>3,889,000</td>
<td>3,595,000</td>
</tr>
</tbody>
</table>

**Net nonoperating revenues**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>152,706,000</td>
<td>3,759,000</td>
<td>1,288,000</td>
<td>157,753,000</td>
</tr>
</tbody>
</table>

**Income (loss) before other additions**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(10,530,000)</td>
<td>4,812,000</td>
<td>3,798,000</td>
<td>(1,920,000)</td>
</tr>
</tbody>
</table>

**State appropriations, capital**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,131,000</td>
<td>—</td>
<td>—</td>
<td>2,131,000</td>
</tr>
</tbody>
</table>

**Grants and gifts, capital**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,019,000</td>
<td>—</td>
<td>(3,798,000)</td>
<td>2,221,000</td>
</tr>
</tbody>
</table>

**Additions to permanent endowments**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

**Increase (decrease) in net assets**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2,380,000)</td>
<td>4,812,000</td>
<td>—</td>
<td>2,432,000</td>
</tr>
</tbody>
</table>

### Net assets:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>366,263,000</td>
<td>139,530,000</td>
<td>—</td>
<td>505,793,000</td>
</tr>
</tbody>
</table>

**Restatements**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>—</td>
<td>(13,850,000)</td>
<td>—</td>
<td>(13,850,000)</td>
</tr>
</tbody>
</table>

**Net assets at beginning of year, as restated**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>366,263,000</td>
<td>125,680,000</td>
<td>—</td>
<td>491,943,000</td>
</tr>
</tbody>
</table>

**Net assets at end of year**

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$363,883,000</td>
<td>130,492,000</td>
<td>—</td>
<td>494,375,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA
Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$81,540,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td></td>
</tr>
<tr>
<td>State grants and contracts</td>
<td></td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td></td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(46,667,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(175,436,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(32,768,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>777,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>3,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>18,672,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>6,146,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(147,733,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>92,381,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>39,821,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>20,754,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td></td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>2,307,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td></td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>237,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>63,440,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(63,368,000)</td>
</tr>
<tr>
<td>Munies received on behalf of others</td>
<td>14,416,000</td>
</tr>
<tr>
<td>Munies disbursed on behalf of others</td>
<td>(14,432,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>3,847,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>159,403,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>9,915,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>9,608,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>2,112,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td></td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(22,383,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td></td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(9,915,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(4,714,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(8,811,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>720,000</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>1,434,000</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>4,000</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(22,018,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>387,221,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(377,587,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>714,000</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>10,348,000</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>16,000</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$16,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of cash and cash equivalents at end of year:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$16,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
<td>$16,000</td>
</tr>
</tbody>
</table>
### Statement of Cash Flows

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Reconciliation of operating loss to net cash used in operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(163,236,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>20,731,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(181,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>(306,000)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(687,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(5,436,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>243,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(352,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>545,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>732,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>214,000</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>$(147,733,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplemental schedule of noncash transactions:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$3,526,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(2,531,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>84,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>116,000</td>
</tr>
<tr>
<td>Capital asset acquired from the Office of the Chancellor</td>
<td>1,118,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

**Transactions with Related Entities**

**Year ended June 30, 2012**

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$1,882,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>1,897,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>12,008,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>12,359,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>23,936,000</td>
</tr>
<tr>
<td>Reimbursements to University for services, space, and programs</td>
<td>23,936,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>4,290,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>3,931,000</td>
</tr>
<tr>
<td>Accounts payable to University</td>
<td>1,221,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(856,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(795,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>795,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>169,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>169,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>(22,000)</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Net Assets

June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 345,000</td>
<td>3,080,000</td>
<td>3,425,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>143,415,000</td>
<td>36,568,000</td>
<td>179,983,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,121,000</td>
<td>17,542,000</td>
<td>25,663,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>536,000</td>
<td>686,000</td>
<td>1,222,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>43,000</td>
<td>43,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,412,000</td>
<td>820,000</td>
<td>2,232,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>153,829,000</td>
<td>59,731,000</td>
<td>213,560,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>39,000</td>
<td>7,672,000</td>
<td>7,711,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>565,000</td>
<td></td>
<td>565,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>22,493,000</td>
<td>45,254,000</td>
<td>67,747,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td>389,000</td>
<td>389,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>5,171,000</td>
<td></td>
<td>5,171,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>5,519,000</td>
<td>5,519,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>7,872,000</td>
<td>19,392,000</td>
<td>27,264,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>30,324,000</td>
<td>52,575,000</td>
<td>82,899,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>355,957,000</td>
<td>52,575,000</td>
<td>408,532,000</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>1,454,000</td>
<td>1,454,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>422,421,000</td>
<td>151,343,000</td>
<td>573,764,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>576,250,000</td>
<td>211,074,000</td>
<td>787,324,000</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets                  |                |                         |                |
| Current liabilities:                        |                |                         |                |
| Accounts payable                           | 6,288,000      | 3,819,000               | 10,107,000     |
| Accrued salaries and benefits payable       | 15,554,000     | 3,759,000               | 19,313,000     |
| Accrued compensated absences – current portion | 8,172,000      | 1,283,000               | 9,455,000      |
| Deferred revenue                           | 22,493,000     | 4,746,000               | 27,241,000     |
| Capitalized lease obligations – current portion | 797,000        | 459,000                 | 1,256,000      |
| Long-term debt obligations – current portion | 4,811,000      | 1,620,000               | 6,431,000      |
| Self-insurance claims liability – current portion |              |                         |                |
| Depository accounts – current portion       | 998,000        | 656,000                 | 1,654,000      |
| Other liabilities                          | 2,051,000      | 1,001,000               | 3,052,000      |
| **Total current liabilities**               | 61,146,000     | 17,323,000              | 78,469,000     |
| Noncurrent liabilities:                    |                |                         |                |
| Accrued compensated absences, net of current portion | 1,774,000      | 70,000                  | 1,844,000      |
| Deferred revenue                           | 869,000        | 5,519,000               | 6,388,000      |
| Grants refundable                          | 6,411,000      |                         | 6,411,000      |
| Capitalized lease obligations, net of current portion | 37,401,000     | 19,539,000              | 56,940,000     |
| Long-term debt obligations, net of current portion | 377,190,000    | 65,003,000              | 442,193,000    |
| Self-insurance claims liability, net of current portion |              |                         |                |
| Depository accounts                        | 7,765,000      | 3,534,000               | 11,299,000     |
| Other liabilities                          | 76,000         | 1,645,000               | 1,721,000      |
| **Total noncurrent liabilities**           | 231,486,000    | 95,310,000              | 326,796,000    |
| **Total liabilities**                      | 292,632,000    | 112,633,000             | 405,265,000    |

Net assets:
Invested in capital assets, net of related debt | 162,024,000 | 11,914,000 | 173,938,000 |
Restricted:                                     |             |             |             |
Nonexpendable – endowments                     | 7,872,000    | 17,284,000  | 25,156,000  |
Expendable:                                     |             |             |             |
Scholarships and fellowships                   | 991,000      | 3,270,000   | 4,261,000   |
Research                                       | 1,259,000    |             | 1,259,000   |
Loans                                         | 1,447,000    |             | 1,447,000   |
Capital projects                               |              |             |             |
Debt service                                   |              |             |             |
Other                                          | 3,153,000    | 15,478,000  | 18,631,000  |
Unrestricted                                   | 106,872,000  | 50,495,000  | 157,367,000 |
**Total net assets**                           | **$ 283,618,000** | 98,441,000 | 382,059,000 |

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Assets

### Year ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $77,600,000)</td>
<td>$121,840,000</td>
<td>9,063,000</td>
<td>—</td>
<td>130,903,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>624,000</td>
<td>14,228,000</td>
<td>—</td>
<td>14,852,000</td>
</tr>
<tr>
<td>State</td>
<td>1,938,000</td>
<td>32,357,000</td>
<td>—</td>
<td>34,295,000</td>
</tr>
<tr>
<td>Local</td>
<td>824,000</td>
<td>1,306,000</td>
<td>—</td>
<td>2,130,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>75,000</td>
<td>6,266,000</td>
<td>—</td>
<td>6,341,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>17,919,000</td>
<td>34,653,000</td>
<td>(3,255,000)</td>
<td>49,317,000</td>
</tr>
<tr>
<td>State</td>
<td>3,204,000</td>
<td>10,777,000</td>
<td>—</td>
<td>13,981,000</td>
</tr>
<tr>
<td>Local</td>
<td>824,000</td>
<td>1,306,000</td>
<td>—</td>
<td>2,130,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>75,000</td>
<td>6,266,000</td>
<td>—</td>
<td>6,341,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>155,502,000</td>
<td>112,370,000</td>
<td>(3,255,000)</td>
<td>264,617,000</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>103,590,000</td>
<td>—</td>
<td>—</td>
<td>103,590,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>58,996,000</td>
<td>—</td>
<td>—</td>
<td>58,996,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>32,946,000</td>
<td>—</td>
<td>—</td>
<td>32,946,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>522,000</td>
<td>6,218,000</td>
<td>(240,000)</td>
<td>6,500,000</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>1,308,000</td>
<td>(1,071,000)</td>
<td>—</td>
<td>237,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>25,000</td>
<td>45,000</td>
<td>—</td>
<td>70,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(10,912,000)</td>
<td>(4,436,000)</td>
<td>—</td>
<td>(15,348,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues</td>
<td>4,482,000</td>
<td>2,867,000</td>
<td>—</td>
<td>7,349,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>190,957,000</td>
<td>3,623,000</td>
<td>(240,000)</td>
<td>194,340,000</td>
</tr>
<tr>
<td>Income before other additions</td>
<td>2,090,000</td>
<td>3,826,000</td>
<td>158,000</td>
<td>6,074,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>366,000</td>
<td>—</td>
<td>—</td>
<td>366,000</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>1,364,000</td>
<td>36,000</td>
<td>(158,000)</td>
<td>1,242,000</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>24,000</td>
<td>505,000</td>
<td>—</td>
<td>529,000</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>3,844,000</td>
<td>4,367,000</td>
<td>—</td>
<td>8,211,000</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>279,774,000</td>
<td>94,074,000</td>
<td>—</td>
<td>373,848,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>279,774,000</td>
<td>94,074,000</td>
<td>—</td>
<td>373,848,000</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$283,618,000</td>
<td>98,441,000</td>
<td>—</td>
<td>382,059,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SACRAMENTO
Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

| **Cash flows from noncapital financing activities:** |
| State appropriations | 103,590,000 |
| Federal financial aid grants | 58,996,000 |
| State financial aid grants | 32,946,000 |
| Local financial aid grants | — |
| Nongovernmental and other financial aid grants | — |
| Other federal nonoperating grants | — |
| Gifts and grants received for other than capital purposes | 239,000 |
| Federal loan program receipts | 116,142,000 |
| Federal loan program disbursements | (116,142,000) |
| Monies received on behalf of others | 8,928,000 |
| Monies disbursed on behalf of others | (8,928,000) |
| Other noncapital financing activities | 4,569,000 |
| **Net cash provided by noncapital financing activities** | 200,340,000 |

| **Cash flows from capital and related financing activities:** |
| Proceeds from capital debt | 10,248,000 |
| State appropriations | 1,256,000 |
| Capital grants and gifts | 243,000 |
| Proceeds from sale of capital assets | — |
| Acquisition of capital assets | (9,720,000) |
| Issuance of notes receivable | — |
| Transfers to escrow agent | (6,298,000) |
| Principal paid on capital debt and leases | (6,586,000) |
| Interest paid on capital debt and leases | (11,794,000) |
| Principal payments received on capital leases | 510,000 |
| Interest payments received on capital leases | 720,000 |
| Principal payments received on notes receivable | — |
| Interest payments received on notes receivable | — |
| **Net cash used in capital and related financing activities** | (21,421,000) |

| **Cash flows from investing activities:** |
| Proceeds from sales and maturities of investments | 499,039,000 |
| Purchases of investments | (513,951,000) |
| Investment income received | 1,334,000 |
| **Net cash used in investing activities** | (13,578,000) |

| **Net decrease in cash and cash equivalents** | (1,548,000) |
| **Cash and cash equivalents at beginning of year** | 1,932,000 |
| **Cash and cash equivalents at end of year** | $384,000 |
| **Summary of cash and cash equivalents at end of year:** |
| Cash and cash equivalents | $345,000 |
| Restricted cash and cash equivalents | 39,000 |
| **Total cash and cash equivalents at end of year** | $384,000 |
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(188,867,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>20,428,000</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>828,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>604,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>353,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,407,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>(229,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(384,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>525,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>(40,000)</td>
</tr>
<tr>
<td>Other postemployment benefits liability</td>
<td>1,358,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(58,000)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$(166,889,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$351,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td></td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>338,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>69,000</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>33,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>325,000</td>
</tr>
<tr>
<td>Auxiliary Field house BAN Principal payment made directly by University Enterprises Inc.</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### Transactions with Related Entities

**Year ended June 30, 2012**

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 2,805,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>2,805,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>4,642,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>4,642,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>3,056,000</td>
</tr>
<tr>
<td>Reimbursements to University for services, space, and programs</td>
<td>3,056,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>36,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>36,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>398,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>1,152,000</td>
</tr>
<tr>
<td>Accounts payable to University</td>
<td>(940,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>(209,000)</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(1,125,000)</td>
</tr>
<tr>
<td>Accounts receivable from University</td>
<td>1,125,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>996,000</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>996,000</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>148,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>148,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
Statement of Net Assets
June 30, 2012

Discretely presented component units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 18,000</td>
<td>7,256,000</td>
<td>7,274,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>84,122,000</td>
<td>10,466,000</td>
<td>94,588,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,666,000</td>
<td>3,359,000</td>
<td>6,025,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>157,000</td>
<td>157,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,259,000</td>
<td>137,000</td>
<td>1,396,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>$ 18,000</td>
<td>7,256,000</td>
<td>7,274,000</td>
</tr>
<tr>
<td>Total current assets</td>
<td>88,065,000</td>
<td>21,375,000</td>
<td>109,440,000</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>4,876,000</td>
<td>—</td>
<td>4,876,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,109,000</td>
<td>183,000</td>
<td>1,292,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>796,000</td>
<td>796,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>19,171,000</td>
<td>19,171,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>$ 51,000</td>
<td>4,723,000</td>
<td>4,774,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>345,056,000</td>
<td>8,509,000</td>
<td>353,565,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>351,092,000</td>
<td>33,382,000</td>
<td>384,474,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>$439,157,000</td>
<td>54,757,000</td>
<td>493,914,000</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

| Current liabilities: |        |                         |       |
| Accounts payable | $2,864,000 | 786,000 | 3,650,000 |
| Accrued salaries and benefits payable | 9,171,000 | 522,000 | 9,693,000 |
| Accrued compensated absences – current portion | $5,581,000 | 123,000 | 5,704,000 |
| Deferred revenue | $5,983,000 | 511,000 | 6,494,000 |
| Capitalized lease obligations – current portion | $1,516,000 | $1,516,000 |
| Long-term debt obligations – current portion | $3,546,000 | — | 3,546,000 |
| Self-insurance claims liability – current portion | — | — | — |
| Depository accounts – current portion | — | — | — |
| Other liabilities | $3,192,000 | 1,437,000 | 4,629,000 |
| Total current liabilities | $31,853,000 | 3,379,000 | 35,232,000 |
| Noncurrent liabilities: |        |                         |       |
| Accrued compensated absences, net of current portion | $3,348,000 | 166,000 | 3,514,000 |
| Deferred revenue | $1,653,000 | — | 1,653,000 |
| Capitalized lease obligations, net of current portion | $2,817,000 | — | 2,817,000 |
| Long-term debt obligations, net of current portion | $111,628,000 | — | 111,628,000 |
| Self-insurance claims liability, net of current portion | — | — | — |
| Depository accounts | $12,000 | — | 12,000 |
| Other postemployment benefits obligation | $2,129,000 | 8,888,000 | 11,017,000 |
| Other liabilities | — | 1,858,000 | 1,858,000 |
| Total noncurrent liabilities | $121,587,000 | 10,912,000 | 132,499,000 |
| Total liabilities | $153,440,000 | 14,291,000 | 167,731,000 |

Net assets:

| Invested in capital assets, net of related debt | $226,245,000 | 8,509,000 | 234,754,000 |
| Restricted for: |        |                         |       |
| Nonexpendable – endowments | — | 17,182,000 | 17,182,000 |
| Expendable: |        |                         |       |
| Scholarships and fellowships | $405,000 | 2,119,000 | 2,524,000 |
| Research | — | — | — |
| Loans | $552,000 | — | 552,000 |
| Capital projects | $3,470,000 | 467,000 | 3,937,000 |
| Debt service | — | — | — |
| Other | — | 6,694,000 | 6,694,000 |
| Unrestricted | $55,045,000 | 5,495,000 | 60,540,000 |
| Total net assets | $285,717,000 | 40,466,000 | 326,183,000 |

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Assets

**Year ended June 30, 2012**

### Revenues:

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $45,000,000)</td>
<td>87,437,000</td>
<td>1,163,000</td>
<td>88,600,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>15,719,000</td>
<td></td>
<td>15,719,000</td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>1,177,000</td>
<td></td>
<td>1,177,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>272,000</td>
<td></td>
<td>272,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>14,675,000</td>
<td>4,400,000</td>
<td>19,075,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>8,215,000</td>
<td>3,065,000</td>
<td>11,280,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>110,599,000</td>
<td>32,222,000</td>
<td>142,821,000</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>83,025,000</td>
<td>895,000</td>
<td>83,920,000</td>
</tr>
<tr>
<td>Research</td>
<td>521,000</td>
<td>9,284,000</td>
<td>9,805,000</td>
</tr>
<tr>
<td>Public service</td>
<td>1,281,000</td>
<td>6,977,000</td>
<td>8,258,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>17,925,000</td>
<td>211,000</td>
<td>18,136,000</td>
</tr>
<tr>
<td>Student services</td>
<td>19,908,000</td>
<td>9,042,000</td>
<td>28,473,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>24,080,000</td>
<td>2,175,000</td>
<td>26,255,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>19,841,000</td>
<td></td>
<td>19,841,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>61,459,000</td>
<td>1,660,000</td>
<td>63,596,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>7,883,000</td>
<td>573,000</td>
<td>8,456,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>19,482,000</td>
<td></td>
<td>19,482,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>255,405,000</td>
<td>33,344,000</td>
<td>288,749,000</td>
</tr>
</tbody>
</table>

**Operating income (loss)** (144,806,000) (1,122,000) (145,928,000)

### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>71,992,000</td>
<td></td>
<td>71,992,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>44,475,000</td>
<td></td>
<td>44,475,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>20,364,000</td>
<td></td>
<td>20,364,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>91,000</td>
<td></td>
<td>91,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>162,000</td>
<td>596,000</td>
<td>758,000</td>
</tr>
<tr>
<td>Investment income (loss), net</td>
<td>139,000</td>
<td>801,000</td>
<td>940,000</td>
</tr>
<tr>
<td>Endowment income (loss), net</td>
<td></td>
<td>(1,285,000)</td>
<td>(1,285,000)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(5,480,000)</td>
<td></td>
<td>(5,480,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>2,573,000</td>
<td>(312,000)</td>
<td>2,261,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues (expenses)</strong></td>
<td>134,316,000</td>
<td>(200,000)</td>
<td>134,116,000</td>
</tr>
<tr>
<td><strong>Income (loss) before other additions</strong></td>
<td>(10,490,000)</td>
<td>(1,322,000)</td>
<td>(11,812,000)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>58,000</td>
<td></td>
<td>58,000</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td></td>
<td>2,076,000</td>
<td>2,076,000</td>
</tr>
<tr>
<td>Additions (reductions) to permanent endowments</td>
<td></td>
<td>852,000</td>
<td>852,000</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>(10,432,000)</td>
<td>1,606,000</td>
<td>(8,826,000)</td>
</tr>
</tbody>
</table>

**Net assets:**

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>296,149,000</td>
<td>37,037,000</td>
<td>333,186,000</td>
</tr>
<tr>
<td>Restatements</td>
<td></td>
<td>1,823,000</td>
<td>1,823,000</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>296,149,000</td>
<td>38,860,000</td>
<td>335,009,000</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$285,717,000</td>
<td>40,466,000</td>
<td>326,183,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
Statement of Cash Flows  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income received</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
</tr>
<tr>
<td><strong>Summary of cash and cash equivalents at end of year:</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
</tr>
</tbody>
</table>
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
Statement of Cash Flows  
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(144,806,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>19,482,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(333,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>474,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,075,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>545,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>130,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>742,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>583,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>502,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>$(123,756,000)</strong></td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(64,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>207,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>62,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
Transactions with Related Entities
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 4,182,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>3,137,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>5,152,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>4,846,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>1,116,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>1,116,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>53,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>1,047,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(435,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(155,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>58,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>190,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>190,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
SAN DIEGO STATE UNIVERSITY  
Statement of Net Assets  
June 30, 2012

### Discretely presented component units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,188,000</td>
<td>10,291,000</td>
<td>14,479,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>234,521,000</td>
<td>30,174,000</td>
<td>264,695,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,701,000</td>
<td>53,435,000</td>
<td>62,136,000</td>
</tr>
<tr>
<td>Leases receivable, current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current</td>
<td>119,000</td>
<td>33,000</td>
<td>152,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$249,191,000</td>
<td>105,984,000</td>
<td>355,175,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>receipts, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>57,442,000</td>
<td>287,000</td>
<td>57,729,000</td>
</tr>
<tr>
<td>Leases receivable, net of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of</td>
<td>244,000</td>
<td>8,614,000</td>
<td>8,858,000</td>
</tr>
<tr>
<td>current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>7,363,000</td>
<td>7,319,000</td>
<td>14,682,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td>145,875,000</td>
<td>145,875,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>59,523,000</td>
<td>134,020,000</td>
<td>193,543,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>427,398,000</td>
<td>107,020,000</td>
<td>534,418,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$552,702,000</td>
<td>362,566,000</td>
<td>915,268,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$801,893,000</td>
<td>468,550,000</td>
<td>1,270,443,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>12,173,000</td>
<td>11,969,000</td>
<td>24,142,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>20,797,000</td>
<td>5,094,000</td>
<td>25,891,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>7,017,000</td>
<td>7,319,000</td>
<td>14,336,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>16,188,000</td>
<td>7,278,000</td>
<td>23,466,000</td>
</tr>
<tr>
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<td>246,000</td>
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<td>Depository accounts</td>
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<tr>
<td>Other liabilities</td>
<td>6,152,000</td>
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<tr>
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<td>8,744,000</td>
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<td>net of current portion</td>
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<td>Deferred revenue</td>
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<td>net of current portion</td>
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<td>201,809,000</td>
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### Net assets:

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<td>263,730,000</td>
<td>39,819,000</td>
<td>303,549,000</td>
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<tr>
<td>of related debt</td>
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<tr>
<td>Restricted</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Nonexpendable – endowments</td>
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<td></td>
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<tr>
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<td>17,000</td>
<td>21,298,000</td>
<td>21,315,000</td>
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<td>Research</td>
<td></td>
<td>400,000</td>
<td>400,000</td>
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<tr>
<td>Loans</td>
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<td>91,000</td>
<td>91,000</td>
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<td>Capital projects</td>
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<td>2,308,000</td>
<td>55,975,000</td>
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<td>Debt service</td>
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<td>Other</td>
<td>76,000</td>
<td>76,213,000</td>
<td>76,289,000</td>
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<td>Unrestricted</td>
<td>174,980,000</td>
<td>30,690,000</td>
<td>205,670,000</td>
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<td><strong>Total net assets</strong></td>
<td>$492,561,000</td>
<td>266,741,000</td>
<td>759,302,000</td>
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</table>

See accompanying independent auditors’ report.
SAN DIEGO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Revenues:</strong></td>
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<tr>
<td>Operating revenues:</td>
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<td></td>
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<td>36,627,000</td>
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<tr>
<td>and fees (net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of scholarship</td>
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<tr>
<td>allowances of $71,</td>
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<tr>
<td>737,000)</td>
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<td>94,755,000</td>
<td>96,250,000</td>
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<td>1,875,000</td>
<td>1,875,000</td>
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<td>18,102,000</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Nonoperating</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>revenues (expenses):</td>
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<td></td>
</tr>
<tr>
<td>State appropriations,</td>
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<td>36,161,000</td>
<td>190,688,000</td>
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<td>53,079,000</td>
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<td>58,381,000</td>
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<tr>
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<td>69,879,000</td>
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<td>79,513,000</td>
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<tr>
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<td>59,612,000</td>
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<tr>
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<td>expenses</td>
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</tr>
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<td><strong>Expenses:</strong></td>
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<tr>
<td>Instruction</td>
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<td>Research</td>
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<td>54,523,000</td>
<td>57,452,000</td>
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<tr>
<td>Public service</td>
<td>5,852,000</td>
<td>49,667,000</td>
<td>53,079,000</td>
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<tr>
<td>Academic support</td>
<td>44,766,000</td>
<td>14,615,000</td>
<td>58,381,000</td>
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<tr>
<td>Student services</td>
<td>67,184,000</td>
<td>2,695,000</td>
<td>69,879,000</td>
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<td>Institutional support</td>
<td>29,902,000</td>
<td>49,611,000</td>
<td>79,513,000</td>
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<tr>
<td>Operation and</td>
<td>40,903,000</td>
<td>19,709,000</td>
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<td>maintenance of plant</td>
<td>69,069,000</td>
<td>5,901,000</td>
<td>74,970,000</td>
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<td>Depreciation and</td>
<td>28,721,000</td>
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<tr>
<td>amortization</td>
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<td></td>
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<tr>
<td></td>
<td>Total operating</td>
<td>467,223,000</td>
<td>267,984,000</td>
</tr>
<tr>
<td></td>
<td>expenses</td>
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<td></td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>**Nonoperating</td>
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<tr>
<td>Other nonoperating</td>
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<tr>
<td>grants, noncapital:</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Total nonoperating</td>
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<td>230,590,000</td>
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<tr>
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<tr>
<td><strong>Net assets:</strong></td>
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<td></td>
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<tr>
<td></td>
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</tr>
<tr>
<td>Net assets at the</td>
<td>492,561,000</td>
<td>266,741,000</td>
<td>759,302,000</td>
</tr>
<tr>
<td>beginning of year,</td>
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</tr>
<tr>
<td>as previously</td>
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<td>Increase in net</td>
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<td>Grants and gifts,</td>
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<td>Additions to</td>
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<td>permanent endowments</td>
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</tr>
<tr>
<td></td>
<td>Total nonoperating</td>
<td>215,613,000</td>
<td>230,590,000</td>
</tr>
<tr>
<td></td>
<td>revenues</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at the</td>
<td>492,561,000</td>
<td>266,741,000</td>
<td>759,302,000</td>
</tr>
<tr>
<td>beginning of year,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as restated</td>
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</table>

See accompanying independent auditors’ report.
## SAN DIEGO STATE UNIVERSITY
### Statement of Cash Flows
#### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$180,254,000</td>
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<tr>
<td>Federal grants and contracts</td>
<td>1,529,000</td>
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<tr>
<td>State grants and contracts</td>
<td>1,703,000</td>
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<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(86,708,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(281,291,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(69,069,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>15,611,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>24,170,000</td>
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<tr>
<td>Other receipts</td>
<td>16,439,000</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(197,362,000)</td>
</tr>
</tbody>
</table>

| Cash flows from noncapital financing activities: | |
| State appropriations                     | 125,367,000 |
| Federal financial aid grants             | 49,127,000  |
| State financial aid grants               | 28,130,000  |
| Local financial aid grants               | —          |
| Nongovernmental and other financial aid grants | 5,804,000  |
| Other federal nonoperating grants        | —          |
| Gifts and grants received for other than capital purposes | 8,139,000  |
| Federal loan program receipts            | 119,809,000 |
| Federal loan program disbursements       | (119,509,000) |
| Monies received on behalf of others      | 9,952,000   |
| Monies disbursed on behalf of others     | (9,935,000) |
| Other noncapital financing activities    | 5,040,000   |
| Net cash provided by noncapital financing activities | 221,924,000 |

| Cash flows from capital and related financing activities: | |
| Proceeds from capital debt                 | 102,032,000 |
| State appropriations                        | 100,000     |
| Capital grants and gifts                    | 2,437,000   |
| Proceeds from sale of capital assets        | 59,000      |
| Acquisition of capital assets               | (30,626,000) |
| Issuance of notes receivable                | —          |
| Transfers to escrow agent                   | (2,398,000) |
| Principal paid on capital debt and leases   | (5,319,000) |
| Interest paid on capital debt and leases    | (8,726,000) |
| Principal payments received on capital leases | —          |
| Interest payments received on capital leases | —          |
| Principal payments received on notes receivable | —          |
| Interest payments received on notes receivable | —          |
| Net cash provided by capital and related financing activities | 57,559,000 |

| Cash flows from investing activities: | |
| Proceeds from sales and maturities of investments | 619,797,000 |
| Purchases of investments                   | (699,309,000) |
| Investment income received                  | 1,559,000   |
| Net cash used in investing activities       | (77,953,000) |
| Net increase in cash and cash equivalents   | 4,168,000   |

| Cash and cash equivalents at beginning of year | 20,000 |
| Cash and cash equivalents at end of year      | $4,188,000 |

### Summary of cash and cash equivalents at end of year:
- **Cash and cash equivalents**: $4,188,000
- **Restricted cash and cash equivalents**: —

| Total cash and cash equivalents at end of year | $4,188,000 |
### SAN DIEGO STATE UNIVERSITY

**Statement of Cash Flows**  
**Year ended June 30, 2012**

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(225,924,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>28,721,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(869,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(410,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,479,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>(361,000)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(81,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,322,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>887,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(168,000)</td>
</tr>
</tbody>
</table>

Net cash used in operating activities:  
$ (197,362,000)

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>860,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>629,000</td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>225,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>2,533,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>448,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>310,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### SAN DIEGO STATE UNIVERSITY
Transactions with Related Entities
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 7,087,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>7,087,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>15,613,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>15,613,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>10,519,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>10,519,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>860,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>860,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>16,200,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>16,200,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>1,346,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>(1,346,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>363,000</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>(363,000)</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(631,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>631,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>(446,000)</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>446,000</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>32,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>32,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>3,000</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
SAN FRANCISCO STATE UNIVERSITY
Statement of Net Assets
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$11,000</td>
<td>1,752,000</td>
<td>1,763,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>146,312,000</td>
<td>20,481,000</td>
<td>166,793,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>22,503,000</td>
<td>3,897,000</td>
<td>26,400,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>2,630,000</td>
<td>642,000</td>
<td>3,272,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>2,630,000</td>
<td>1,859,000</td>
<td>4,489,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>171,456,000</td>
<td>28,631,000</td>
<td>200,087,000</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,569,000</td>
<td>728,000</td>
<td>3,297,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>8,956,000</td>
<td>896,000</td>
<td>9,852,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>-</td>
<td>962,000</td>
<td>962,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>2,675,000</td>
<td>33,713,000</td>
<td>36,388,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>23,099,000</td>
<td>21,391,000</td>
<td>44,490,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>564,765,000</td>
<td>4,055,000</td>
<td>568,820,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>602,064,000</td>
<td>60,849,000</td>
<td>662,913,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>773,520,000</td>
<td>89,480,000</td>
<td>863,000,000</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets         |        |                         |        |
| Current liabilities:               |        |                         |        |
| Accounts payable                   | 7,350,000 | 2,628,000              | 9,978,000|
| Accrued salaries and benefits payable | 20,574,000 | 135,000                 | 20,709,000|
| Accrued compensated absences – current portion | 10,341,000 | 72,000                  | 10,413,000|
| Deferred revenue                   | 26,439,000 | 407,000                 | 26,846,000|
| Capitalized lease obligations – current portion | 245,000 | -                       | 245,000|
| Long-term debt obligations – current portion | 6,120,000 | 148,000                 | 6,268,000|
| Self-insurance claims liability – current portion | - | - | - |
| Depository accounts – current portion | 2,587,000 | -                       | 2,587,000|
| Other liabilities                  | 4,370,000 | 1,364,000               | 5,734,000|
| **Total current liabilities**      | 78,026,000 | 4,754,000             | 82,780,000|
| Noncurrent liabilities:            |        |                         |        |
| Accrued compensated absences, net of current portion | 7,696,000 | 271,000                 | 7,967,000|
| Deferred revenue                   | 9,490,000 | -                       | 9,490,000|
| Capitalized lease obligations, net of current portion | 865,000 | -                       | 865,000|
| Long-term debt obligations, net of current portion | 239,833,000 | 77,000                  | 239,910,000|
| Self-insurance claims liability, net of current portion | - | - | - |
| Depository accounts                | 893,000 | 152,000                 | 1,045,000|
| Other postemployment benefits obligation | 7,681,000 | -                       | 7,681,000|
| Other liabilities                  | 856,000 | -                       | 856,000|
| **Total noncurrent liabilities**   | 267,314,000 | 850,000                | 268,164,000|
| **Total liabilities**              | 345,340,000 | 5,604,000             | 350,944,000|

| Net assets:                        |        |                         |        |
| Invested in capital assets, net of related debt | 317,703,000 | 3,830,000               | 321,533,000|
| Restricted for:                    |        |                         |        |
| Nonexpendable – endowments         | 2,675,000 | 33,713,000              | 36,388,000|
| Expendable:                        |        |                         |        |
| Scholarships and fellowships       | -      | 23,991,000              | 23,991,000|
| Research                          | -      | -                       | -      |
| Loans                             | 344,000 | -                       | 344,000|
| Capital projects                  | 2,384,000 | 2,668,000               | 5,052,000|
| Debt service                      | -      | -                       | -      |
| Other                             | -      | 14,000                  | 14,000|
| Unrestricted                      | 105,074,000 | 19,660,000             | 124,734,000|
| **Total net assets**              | $428,180,000 | 83,876,000          | 512,056,000|

See accompanying independent auditors’ report.
SAN FRANCISCO STATE UNIVERSITY  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Component</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $52,887,000)</td>
<td>$164,873,000</td>
<td>5,911,000</td>
<td>—</td>
<td>170,784,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>40,282,000</td>
<td>186,000</td>
<td>—</td>
<td>40,468,000</td>
</tr>
<tr>
<td>State</td>
<td>3,605,000</td>
<td>288,000</td>
<td>—</td>
<td>3,893,000</td>
</tr>
<tr>
<td>Local</td>
<td>2,717,000</td>
<td>—</td>
<td>—</td>
<td>2,717,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>3,128,000</td>
<td>1,619,000</td>
<td>—</td>
<td>4,747,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>600,000</td>
<td>—</td>
<td>—</td>
<td>600,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>42,486,000</td>
<td>22,967,000</td>
<td>—</td>
<td>65,453,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>9,190,000</td>
<td>2,287,000</td>
<td>—</td>
<td>11,477,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>266,881,000</td>
<td>33,258,000</td>
<td>—</td>
<td>300,139,000</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>155,429,000</td>
<td>190,000</td>
<td>—</td>
<td>155,619,000</td>
</tr>
<tr>
<td>Research</td>
<td>15,744,000</td>
<td>(4,000)</td>
<td>—</td>
<td>15,740,000</td>
</tr>
<tr>
<td>Public service</td>
<td>25,374,000</td>
<td>3,415,000</td>
<td>—</td>
<td>28,789,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>39,985,000</td>
<td>1,868,000</td>
<td>—</td>
<td>41,853,000</td>
</tr>
<tr>
<td>Student services</td>
<td>31,441,000</td>
<td>4,273,000</td>
<td>—</td>
<td>35,714,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>30,159,000</td>
<td>865,000</td>
<td>(246,000)</td>
<td>30,778,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>31,244,000</td>
<td>1,170,000</td>
<td>—</td>
<td>32,414,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>63,961,000</td>
<td>1,258,000</td>
<td>(1,166,000)</td>
<td>64,053,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>24,628,000</td>
<td>1,602,000</td>
<td>—</td>
<td>26,230,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>25,511,000</td>
<td>865,000</td>
<td>—</td>
<td>26,376,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>443,476,000</td>
<td>36,998,000</td>
<td>(1,412,000)</td>
<td>479,062,000</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(176,595,000)</td>
<td>(3,740,000)</td>
<td>1,412,000</td>
<td>(178,923,000)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>105,455,000</td>
<td>—</td>
<td>—</td>
<td>105,455,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>49,299,000</td>
<td>—</td>
<td>—</td>
<td>49,299,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>20,534,000</td>
<td>—</td>
<td>—</td>
<td>20,534,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>16,000</td>
<td>—</td>
<td>—</td>
<td>16,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>1,263,000</td>
<td>271,000</td>
<td>(1,166,000)</td>
<td>368,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>584,000</td>
<td>1,602,000</td>
<td>—</td>
<td>2,186,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>8,000</td>
<td>—</td>
<td>—</td>
<td>8,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(11,537,000)</td>
<td>(15,000)</td>
<td>—</td>
<td>(11,552,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues</td>
<td>4,238,000</td>
<td>1,173,000</td>
<td>213,000</td>
<td>6,224,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>169,860,000</td>
<td>3,631,000</td>
<td>(953,000)</td>
<td>172,538,000</td>
</tr>
<tr>
<td><strong>Loss before other additions</strong></td>
<td>(6,735,000)</td>
<td>(109,000)</td>
<td>459,000</td>
<td>(6,385,000)</td>
</tr>
<tr>
<td><strong>State appropriations, capital</strong></td>
<td>17,430,000</td>
<td>—</td>
<td>—</td>
<td>17,430,000</td>
</tr>
<tr>
<td><strong>Grants and gifts, capital</strong></td>
<td>532,000</td>
<td>1,796,000</td>
<td>(459,000)</td>
<td>1,869,000</td>
</tr>
<tr>
<td><strong>Additions to permanent endowments</strong></td>
<td>1,000</td>
<td>1,049,000</td>
<td>—</td>
<td>1,050,000</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>11,228,000</td>
<td>2,736,000</td>
<td>—</td>
<td>13,964,000</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets at beginning of year, as previously reported</strong></td>
<td>416,952,000</td>
<td>81,140,000</td>
<td>—</td>
<td>498,092,000</td>
</tr>
<tr>
<td><strong>Restatements</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net assets at beginning of year, as restated</strong></td>
<td>416,952,000</td>
<td>81,140,000</td>
<td>—</td>
<td>498,092,000</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$428,180,000</td>
<td>83,876,000</td>
<td>—</td>
<td>512,056,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
# SAN FRANCISCO STATE UNIVERSITY

**Statement of Cash Flows**  
**Year ended June 30, 2012**

### Cash flows from operating activities:
- **Tuition and fees**: $163,188,000
- **Federal grants and contracts**: $40,325,000
- **State grants and contracts**: $3,934,000
- **Local grants and contracts**: $3,339,000
- **Nongovernmental grants and contracts**: $2,486,000
- **Payments to suppliers**: $(72,516,000)
- **Payments to employees**: $(274,903,000)
- **Payments to students**: $(63,962,000)
- **Collections of student loans**: $600,000
- **Sales and services of auxiliary enterprises**: $42,566,000
- **Other receipts**: $9,919,000

**Net cash used in operating activities**: $(145,024,000)

### Cash flows from noncapital financing activities:
- **State appropriations**: $105,455,000
- **Federal financial aid grants**: $49,299,000
- **State financial aid grants**: $20,534,000
- **Local financial aid grants**: —
- **Nongovernmental and other financial aid grants**: $16,000
- **Other federal nonoperating grants**: —
- **Gifts and grants received for other than capital purposes**: $1,263,000
- **Federal loan program receipts**: $129,613,000
- **Federal loan program disbursements**: $(129,111,000)
- **Monies received on behalf of others**: $2,719,000
- **Monies disbursed on behalf of others**: $(3,198,000)
- **Other noncapital financing activities**: $4,504,000

**Net cash provided by noncapital financing activities**: $181,094,000

### Cash flows from capital and related financing activities:
- **Proceeds from capital debt**: $3,864,000
- **State appropriations**: $22,350,000
- **Capital grants and gifts**: $455,000
- **Proceeds from sale of capital assets**: —
- **Acquisition of capital assets**: $(38,669,000)
- **Issuance of notes receivable**: —
- **Transfers to escrow agent**: —
- **Principal paid on capital debt and leases**: $(11,462,000)
- **Interest paid on capital debt and leases**: $(11,698,000)
- **Principal payments received on capital leases**: —
- **Interest payments received on capital leases**: —
- **Principal payments received on notes receivable**: —
- **Interest payments received on notes receivable**: —

**Net cash used in capital and related financing activities**: $(35,160,000)

### Cash flows from investing activities:
- **Proceeds from sales and maturities of investments**: $643,251,000
- **Purchases of investments**: $(652,377,000)
- **Investment income received**: $634,000

**Net cash used in investing activities**: $(8,492,000)

**Net decrease in cash and cash equivalents**: $(7,582,000)

**Cash and cash equivalents at beginning of year**: $7,593,000

**Cash and cash equivalents at end of year**: $11,000

### Summary of cash and cash equivalents at end of year:
- **Cash and cash equivalents**: $11,000
- **Restricted cash and cash equivalents**: —

**Total cash and cash equivalents at end of year**: $11,000

140 (Continued)
San Francisco State University  
Statement of Cash Flows  
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(176,595,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>25,511,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,874,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>(55,000)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>3,779,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>171,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>$(145,024,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$77,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>36,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(1,980,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td></td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>221,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>72,000</td>
</tr>
<tr>
<td>Loss on retirement of capital assets</td>
<td>284,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
SAN FRANCISCO STATE UNIVERSITY
Transactions with Related Entities
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$443,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>42,900</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>4,702,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>4,955,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>7,226,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>7,887,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>28,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>844,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(552,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(64,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>3,248,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>129,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>129,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>128,000</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>(7,000)</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Net Assets
### SAN JOSE STATE UNIVERSITY
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>25,000</td>
<td>28,716,000</td>
<td>28,741,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>201,533,000</td>
<td>7,956,000</td>
<td>209,489,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>4,604,000</td>
<td>8,934,000</td>
<td>13,538,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>157,000</td>
<td>202,000</td>
<td>359,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>135,000</td>
<td>5,850,000</td>
<td>5,985,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,313,000</td>
<td>815,000</td>
<td>2,128,000</td>
</tr>
<tr>
<td>Total current assets</td>
<td>207,763,000</td>
<td>52,473,000</td>
<td>260,236,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>800,000</td>
<td>1,045,000</td>
<td>1,845,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,060,000</td>
<td>—</td>
<td>1,060,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>805,000</td>
<td>—</td>
<td>805,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>8,037,000</td>
<td>292,000</td>
<td>8,329,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>165,000</td>
<td>7,527,000</td>
<td>7,692,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>1,813,000</td>
<td>72,040,000</td>
<td>73,853,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>62,721,000</td>
<td>25,233,000</td>
<td>87,954,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>380,151,000</td>
<td>18,905,000</td>
<td>399,056,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>12,634,000</td>
<td>12,634,000</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>455,552,000</td>
<td>137,676,000</td>
<td>593,228,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>663,315,000</td>
<td>190,149,000</td>
<td>853,464,000</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>17,370,000</td>
<td>4,242,000</td>
<td>21,612,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>20,564,000</td>
<td>2,418,000</td>
<td>22,982,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>5,574,000</td>
<td>1,646,000</td>
<td>7,220,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>27,746,000</td>
<td>5,848,000</td>
<td>33,594,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>157,000</td>
<td>157,000</td>
<td>314,000</td>
</tr>
<tr>
<td>Long-term debt obligations – current portion</td>
<td>4,990,000</td>
<td>122,000</td>
<td>5,112,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>1,736,000</td>
<td>—</td>
<td>1,736,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3,623,000</td>
<td>1,939,000</td>
<td>5,562,000</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>81,760,000</td>
<td>16,372,000</td>
<td>98,132,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>7,857,000</td>
<td>457,000</td>
<td>8,314,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>7,677,000</td>
<td>128,000</td>
<td>7,805,000</td>
</tr>
<tr>
<td>Grants refundable</td>
<td>10,802,000</td>
<td>—</td>
<td>10,802,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>805,000</td>
<td>805,000</td>
<td>1,610,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>311,621,000</td>
<td>2,855,000</td>
<td>314,476,000</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>150,000</td>
<td>1,154,000</td>
<td>1,304,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>7,363,000</td>
<td>21,403,000</td>
<td>28,766,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>350,000</td>
<td>1,593,000</td>
<td>1,943,000</td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>346,625,000</td>
<td>28,395,000</td>
<td>375,020,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>428,385,000</td>
<td>44,767,000</td>
<td>473,152,000</td>
</tr>
</tbody>
</table>

| Net assets:                                 |              |                         |               |
| Invested in capital assets, net of related debt | 99,836,000  | 14,966,000              | 114,802,000   |
| Restricted for:                             |              |                         |               |
| Nonexpendable – endowments                  | 1,813,000    | 63,274,000              | 65,087,000    |
| Expendable:                                 |              |                         |               |
| Scholarships and fellowships                | 2,574,000    | 956,000                 | 3,530,000     |
| Research                                    | 5,275,000    | —                       | 5,275,000     |
| Loans                                       | 1,764,000    | —                       | 1,764,000     |
| Debt service                                | 771,000      | —                       | 771,000       |
| Other                                       | 44,547,000   | —                       | 44,547,000    |
| Unrestricted                                | 122,897,000  | 21,639,000              | 144,536,000   |
| Total net assets                            | 234,930,000  | 145,382,000             | 380,312,000   |

See accompanying independent auditors’ report.
### Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

#### Revenues:

<table>
<thead>
<tr>
<th>Component</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $54,812,000)</td>
<td>$180,393,000</td>
<td>13,172,000</td>
<td>—</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>23,251,000</td>
<td>—</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>14,756,000</td>
<td>—</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>2,822,000</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>6,737,000</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>4,302,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $6,408,000)</td>
<td>27,076,000</td>
<td>22,792,000</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>11,853,000</td>
<td>17,207,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>223,624,000</td>
<td>100,737,000</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Expenses:

<table>
<thead>
<tr>
<th>Component</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>160,517,000</td>
<td>26,659,000</td>
<td>(157,000)</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>29,237,000</td>
<td>(96,000)</td>
</tr>
<tr>
<td>Public service</td>
<td>1,600,000</td>
<td>336,000</td>
<td>—</td>
</tr>
<tr>
<td>Academic support</td>
<td>30,180,000</td>
<td>6,255,000</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Student services</td>
<td>44,688,000</td>
<td>24,983,000</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>30,050,000</td>
<td>7,732,000</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>33,836,000</td>
<td>4,629,000</td>
<td>(2,054,000)</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>19,464,000</td>
<td>2,329,000</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>27,620,000</td>
<td>1,697,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>396,713,000</td>
<td>117,331,000</td>
<td>(2,329,000)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(173,089,000)</td>
<td>(16,594,000)</td>
<td>2,329,000</td>
</tr>
</tbody>
</table>

#### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th>Component</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>94,372,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>45,041,000</td>
<td>1,414,000</td>
<td>—</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>20,080,000</td>
<td>1,229,000</td>
<td>—</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>33,836,000</td>
<td>4,629,000</td>
<td>(2,054,000)</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>19,464,000</td>
<td>24,983,000</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>27,620,000</td>
<td>1,697,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>158,398,000</td>
<td>8,976,000</td>
<td>(2,228,000)</td>
</tr>
<tr>
<td><strong>Loss before other additions</strong></td>
<td>(14,691,000)</td>
<td>(7,618,000)</td>
<td>101,000</td>
</tr>
</tbody>
</table>

#### Net assets:

<table>
<thead>
<tr>
<th>Component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>247,882,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>247,882,000</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$234,930,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$ 178,434,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(78,547,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(248,126,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(33,851,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>15,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>4,302,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>28,249,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>11,660,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(137,864,000)</td>
</tr>
</tbody>
</table>

| Cash flows from noncapital financing activities:                    |                        |
| State appropriations                                               | 94,372,000             |
| Federal financial aid grants                                       | 44,725,000             |
| State financial aid grants                                         | 20,080,000             |
| Local financial aid grants                                         | —                       |
| Nongovernmental and other financial aid grants                     | —                       |
| Other federal nonoperating grants                                  | —                       |
| Gifts and grants received for other than capital purposes           | 2,378,000               |
| Federal loan program receipts                                      | 111,259,000            |
| Federal loan program disbursements                                 | (109,466,000)          |
| Monies received on behalf of others                                | 13,801,000             |
| Monies disbursed on behalf of others                               | (13,796,000)           |
| Other noncapital financing activities                              | 4,232,000               |
| **Net cash provided by noncapital financing activities**           | 167,585,000            |

| Cash flows from capital and related financing activities:           |                        |
| Proceeds from capital debt                                        | 154,471,000            |
| State appropriations                                               | 919,000                |
| Capital grants and gifts                                           | —                       |
| Proceeds from sale of capital assets                               | —                       |
| Acquisition of capital assets                                      | (31,404,000)           |
| Issuance of notes receivable                                       | —                       |
| Transfers to escrow agent                                          | (85,923,000)           |
| Principal paid on capital debt and leases                          | (27,755,000)           |
| Interest paid on capital debt and leases                           | (12,296,000)           |
| Principal payments received on capital leases                      | 153,000                |
| Interest payments received on capital leases                       | 37,000                 |
| Principal payments received on notes receivable                    | —                       |
| Interest payments received on notes receivable                     | —                       |
| **Net cash used in capital and related financing activities**      | (1,798,000)            |

| Cash flows from investing activities:                              |                        |
| Proceeds from sales and maturities of investments                 | 594,460,000            |
| Purchases of investments                                         | (623,999,000)          |
| Investment income received                                        | 1,627,000              |
| **Net cash used in investing activities**                         | (27,912,000)           |

| Net increase in cash and cash equivalents                          | 11,000                 |
| Cash and cash equivalents at beginning of year                     | 814,000                |
| **Cash and cash equivalents at end of year**                       | $ 825,000              |

| Summary of cash and cash equivalents at end of year:               |                        |
| Cash and cash equivalents                                         | $ 25,000               |
| Restricted cash and cash equivalents                               | 800,000                |
| **Total cash and cash equivalents at end of year**                | $ 825,000              |
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(173,089,000)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization</td>
<td>27,620,000</td>
</tr>
</tbody>
</table>

Change in assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>$(301,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>$(207,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>5,708,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>1,038,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(19,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>196,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>2,065,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(875,000)</td>
</tr>
</tbody>
</table>

Net cash used in operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$(137,864,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$275,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>1,092,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>3,043,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>44,000</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>794,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>466,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### SAN JOSE STATE UNIVERSITY
Transactions with Related Entities
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$3,814,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>3,814,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>4,556,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>4,765,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>4,971,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>4,893,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>2,329,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>2,329,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>984,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(892,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(280,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>363,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>57,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>57,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>1,000</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

**Statement of Net Assets**

**June 30, 2012**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$15,000</td>
<td>16,539,000</td>
<td>16,554,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>87,390,000</td>
<td>89,494,000</td>
<td>176,884,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>4,256,000</td>
<td>9,360,000</td>
<td>13,616,000</td>
</tr>
<tr>
<td>Leases receivable, current port</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current port</td>
<td>—</td>
<td>59,000</td>
<td>59,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>4,013,000</td>
<td>4,013,000</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>2,061,000</td>
<td>6,581,000</td>
<td>8,642,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>93,722,000</td>
<td>126,046,000</td>
<td>219,768,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash eqv.</td>
<td>—</td>
<td>357,000</td>
<td>357,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>43,996,000</td>
<td>18,000</td>
<td>44,014,000</td>
</tr>
<tr>
<td>Leases receivable, net of cp</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of cp</td>
<td>—</td>
<td>416,000</td>
<td>416,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>5,498,000</td>
<td>5,498,000</td>
<td>5,498,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>9,963,000</td>
<td>9,963,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>3,607,000</td>
<td>167,505,000</td>
<td>171,112,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>74,262,000</td>
<td>32,433,000</td>
<td>106,695,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>752,584,000</td>
<td>26,261,000</td>
<td>778,845,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>879,947,000</td>
<td>237,875,000</td>
<td>1,117,822,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>973,669,000</td>
<td>363,921,000</td>
<td>1,337,590,000</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets     |        |                         |         |
| Current liabilities:           |        |                         |         |
| Accounts payable               | 20,629,000| 5,784,000               | 26,413,000|
| Accrued salaries and benefits  | 15,901,000| 871,000                 | 16,772,000|
| Accrued compensated abs – cp   | 6,163,000| 928,000                 | 7,091,000|
| Deferred revenue               | 16,547,000| 4,864,000               | 21,411,000|
| Capitalized lease obligations – cp | —     | —                      | —       |
| Self-insurance claims liability – cp | —      | 15,000                 | 15,000  |
| Depository accounts – cp       | —      | 1,143,000               | 1,143,000|
| **Other liabilities**          | 3,748,000| 436,000                 | 4,184,000|
| **Total current liabilities**  | 67,593,000| 14,194,000              | 81,787,000|
| Noncurrent liabilities:        |        |                         |         |
| Accrued compensated abs, cp    | 5,700,000| 171,000                 | 5,871,000|
| Deferred revenue               | 5,988,000| 2,791,000               | 8,779,000|
| Capitalized lease obligations, cp | —     | —                      | —       |
| Long-term debt obligations, cp | 437,873,000| 2,790,000              | 440,663,000|
| Self-insurance claims liability, cp | —      | 15,000                 | 15,000  |
| Depository accounts            | 1,063,000| 5,915,000               | 6,978,000|
| Other postemployment benefits  | 6,297,000| 13,422,000              | 19,719,000|
| Other liabilities              | 27,000 | 8,941,000               | 8,968,000|
| **Total noncurrent liabilities** | 456,948,000| 34,030,000              | 490,978,000|
| **Total liabilities**          | 524,541,000| 48,224,000              | 572,765,000|

| Net assets:                    |        |                         |         |
| Invested in capital assets, cp | 321,998,000| 23,319,000              | 345,317,000|
| Restricted for:                |        |                         |         |
| Nonexpendable – endowments     | 3,607,000| 102,756,000             | 106,363,000|
| Expendable:                    |        |                         |         |
| Scholarships and fellowships   | 4,485,000| 13,715,000              | 18,200,000|
| Research                      | —      | 5,866,000               | 5,866,000|
| Loans                         | 3,003,000| 269,000                 | 3,272,000|
| Capital projects              | 24,647,000| 20,190,000              | 44,837,000|
| Debt service                  | —      | 304,000                 | 304,000  |
| Other                         | 219,000| 83,320,000              | 83,539,000|
| Unrestricted                  | 91,169,000| 65,958,000              | 157,127,000|
| **Total net assets**          | $449,128,000| 315,697,000             | 764,825,000|

See accompanying independent auditors’ report.
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Component</th>
<th>Auxiliary Organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $32,639,000)</td>
<td>$128,795,000</td>
<td>5,125,000</td>
<td>—</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>13,609,000</td>
<td>—</td>
</tr>
<tr>
<td>State</td>
<td>72,000</td>
<td>2,706,000</td>
<td>—</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>472,000</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>3,855,000</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>2,050,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>18,208,000</td>
<td>20,397,000</td>
<td>(978,000)</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>192,032,000</td>
<td>91,501,000</td>
<td>(978,000)</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>124,251,000</td>
<td>2,503,000</td>
<td>—</td>
</tr>
<tr>
<td>Research</td>
<td>1,729,000</td>
<td>17,094,000</td>
<td>—</td>
</tr>
<tr>
<td>Public service</td>
<td>1,044,000</td>
<td>9,022,000</td>
<td>—</td>
</tr>
<tr>
<td>Academic support</td>
<td>27,756,000</td>
<td>9,865,000</td>
<td>—</td>
</tr>
<tr>
<td>Student services</td>
<td>37,071,000</td>
<td>11,831,000</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>30,908,000</td>
<td>3,239,000</td>
<td>—</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>19,225,000</td>
<td>2,597,000</td>
<td>(2,159,000)</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>29,392,000</td>
<td>39,372,000</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>33,076,000</td>
<td>2,061,000</td>
<td>—</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>332,329,000</td>
<td>111,177,000</td>
<td>(5,235,000)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(140,297,000)</td>
<td>(19,676,000)</td>
<td>4,257,000</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>85,071,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>16,360,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>10,964,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>5,325,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>1,183,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>7,235,000</td>
<td>12,082,000</td>
<td>(4,256,000)</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>584,000</td>
<td>678,000</td>
<td>—</td>
</tr>
<tr>
<td>Endowment income (loss), net</td>
<td>12,000</td>
<td>(208,000)</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(19,861,000)</td>
<td>(161,000)</td>
<td>—</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>942,000</td>
<td>(1,653,000)</td>
<td>—</td>
</tr>
<tr>
<td>Net nonoperating revenues</td>
<td>107,815,000</td>
<td>10,738,000</td>
<td>(4,256,000)</td>
</tr>
<tr>
<td>Loss before other additions</td>
<td>(32,482,000)</td>
<td>(8,938,000)</td>
<td>1,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>3,976,000</td>
<td>5,203,000</td>
<td>—</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>15,000</td>
<td>1,908,000</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Decrease in net assets</td>
<td>(28,491,000)</td>
<td>(1,827,000)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>477,619,000</td>
<td>297,557,000</td>
<td>—</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>19,967,000</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>477,619,000</td>
<td>317,524,000</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$449,128,000</td>
<td>315,697,000</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
### Statement of Cash Flows

#### Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

| 
| **Cash flows from noncapital financing activities:** |
|  |
| State appropriations | 85,071,000 |
| Federal financial aid grants | 16,292,000 |
| State financial aid grants | 10,964,000 |
| Local financial aid grants | — |
| Nongovernmental and other financial aid grants | 5,325,000 |
| Other federal nonoperating grants | 1,183,000 |
| Gifts and grants received for other than capital purposes | 7,211,000 |
| Federal loan program receipts | 77,296,000 |
| Federal loan program disbursements | (76,939,000) |
| Monies received on behalf of others | 9,525,000 |
| Monies disbursed on behalf of others | (9,736,000) |
| Other noncapital financing activities | 2,769,000 |
| **Net cash provided by noncapital financing activities** | 128,961,000 |

| 
| **Cash flows from capital and related financing activities:** |
|  |
| Proceeds from capital debt | 26,482,000 |
| State appropriations | 36,184,000 |
| Capital grants and gifts | — |
| Proceeds from sale of capital assets | 49,000 |
| Acquisition of capital assets | (76,898,000) |
| Issuance of notes receivable | — |
| Transfers to escrow agent | (26,482,000) |
| Principal paid on capital debt and leases | (2,730,000) |
| Interest paid on capital debt and leases | (21,145,000) |
| Principal payments received on capital leases | — |
| Interest payments received on capital leases | — |
| Principal payments received on notes receivable | — |
| Interest payments received on notes receivable | — |
| **Net cash used in capital and related financing activities** | (64,540,000) |

| 
| **Cash flows from investing activities:** |
|  |
| Proceeds from sales and maturities of investments | 537,283,000 |
| Purchases of investments | (500,556,000) |
| Investment income received | 1,169,000 |
| **Net cash provided by investing activities** | 37,896,000 |

| 
| **Net increase (decrease) in cash and cash equivalents** | — |

| 
| **Cash and cash equivalents at beginning of year** | 15,000 |

| 
| **Cash and cash equivalents at end of year** | $15,000 |

| 
| Summary of cash and cash equivalents at end of year: |
|  |
| Cash and cash equivalents | $15,000 |
| Restricted cash and cash equivalents | — |
| **Total cash and cash equivalents at end of year** | $15,000 |
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(140,297,000)</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile operating loss to net cash used in operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>33,076,000</td>
</tr>
</tbody>
</table>

Change in assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>$(786,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>116,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>$(1,597,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,616,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>863,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>$(156,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,849,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>1,711,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>288,000</td>
</tr>
</tbody>
</table>

Net cash used in operating activities: $ (102,317,000)

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$ —</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>—</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>1,974,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>742,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>102,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO
Transactions with Related Entities
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 5,745,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>5,745,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>6,939,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>6,939,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>3,713,000</td>
</tr>
<tr>
<td>Reimbursements to University for services, space, and programs</td>
<td>3,713,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>3,739,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>3,739,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>7,956,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>2,689,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(2,689,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>2,225,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>6,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>6,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Net Assets

**June 30, 2012**

### Current assets:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$73,000</td>
<td>3,653,000</td>
<td>3,726,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>48,122,000</td>
<td>15,330,000</td>
<td>63,452,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,064,000</td>
<td>10,323,000</td>
<td>12,387,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>590,000</td>
<td>—</td>
<td>590,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>710,000</td>
<td>710,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,322,000</td>
<td>78,000</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,322,000</td>
<td></td>
<td>1,400,000</td>
</tr>
</tbody>
</table>

**Total current assets** 52,171,000

### Noncurrent assets:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>88,000</td>
<td>88,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>839,000</td>
<td>—</td>
<td>839,000</td>
</tr>
<tr>
<td>Leases receivable, net, of current portion</td>
<td>22,455,000</td>
<td>—</td>
<td>22,455,000</td>
</tr>
<tr>
<td>Notes receivable, net, of current portion</td>
<td>—</td>
<td>15,068,000</td>
<td>15,068,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>169,000</td>
<td>650,000</td>
<td>819,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>2,047,000</td>
<td>2,047,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>15,068,000</td>
<td>15,068,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>27,814,000</td>
<td></td>
<td>27,814,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>232,027,000</td>
<td>26,087,000</td>
<td>258,114,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>64,000</td>
<td>64,000</td>
</tr>
</tbody>
</table>

**Total noncurrent assets** 283,304,000

**Total assets** 335,475,000

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liability Type</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>2,466,000</td>
<td>9,852,000</td>
<td>12,318,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>7,633,000</td>
<td>333,000</td>
<td>7,966,000</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
<td>2,679,000</td>
<td>211,000</td>
<td>2,890,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>6,788,000</td>
<td>1,541,000</td>
<td>8,329,000</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
<td>1,507,000</td>
<td>3,000</td>
<td>1,510,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>2,009,000</td>
<td>590,000</td>
<td>2,599,000</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,465,000</td>
<td>446,000</td>
<td>1,911,000</td>
</tr>
</tbody>
</table>

**Total current liabilities** 24,547,000

**Total liabilities** 139,981,000

### Net assets:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>164,970,000</td>
<td>2,418,000</td>
<td>167,388,000</td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>—</td>
<td>16,567,000</td>
<td>16,567,000</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>21,000</td>
<td>803,000</td>
<td>824,000</td>
</tr>
<tr>
<td>Research</td>
<td>28,000</td>
<td></td>
<td>28,000</td>
</tr>
<tr>
<td>Loans</td>
<td>474,000</td>
<td>300,000</td>
<td>774,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>2,535,000</td>
<td></td>
<td>2,535,000</td>
</tr>
<tr>
<td>Other</td>
<td>10,000</td>
<td>4,185,000</td>
<td>4,195,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>27,456,000</td>
<td>12,567,000</td>
<td>40,023,000</td>
</tr>
</tbody>
</table>

**Total net assets** $195,494,000

$36,840,000

$232,334,000

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN MARCOS  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

### Revenues:

<table>
<thead>
<tr>
<th>Discretely presented component units</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $19,108,000)</td>
<td>$57,538,000</td>
<td>1,232,000</td>
<td>—</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>13,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>867,000</td>
<td>—</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>54,000</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>51,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>—</td>
<td>4,134,000</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>5,416,000</td>
<td>7,653,000</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>3,688,000</td>
<td>154,000</td>
<td>(35,000)</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>66,706,000</td>
<td>20,762,000</td>
<td>(35,000)</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Discretely presented component units</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>51,586,000</td>
<td>2,993,000</td>
<td>—</td>
</tr>
<tr>
<td>Research</td>
<td>421,000</td>
<td>3,821,000</td>
<td>—</td>
</tr>
<tr>
<td>Public service</td>
<td>205,000</td>
<td>488,000</td>
<td>—</td>
</tr>
<tr>
<td>Academic support</td>
<td>17,873,000</td>
<td>942,000</td>
<td>(35,000)</td>
</tr>
<tr>
<td>Student services</td>
<td>14,006,000</td>
<td>1,957,000</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>19,285,000</td>
<td>4,504,000</td>
<td>(411,000)</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>14,767,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>2,346,000</td>
<td>725,000</td>
<td>—</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>2,346,000</td>
<td>5,385,000</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>12,240,000</td>
<td>1,371,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>156,996,000</td>
<td>22,186,000</td>
<td>(1,156,000)</td>
</tr>
</tbody>
</table>

**Operating loss** (90,290,000) (1,424,000) (1,424,000) (90,593,000)

### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th>Discretely presented component units</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>49,328,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>16,249,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>7,166,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>79,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>2,242,000</td>
<td>3,054,000</td>
<td>(1,103,000)</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>1,345,000</td>
<td>182,000</td>
<td>—</td>
</tr>
<tr>
<td>Endowment loss, net</td>
<td>(676,000)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(3,768,000)</td>
<td>(1,074,000)</td>
<td>—</td>
</tr>
<tr>
<td>Other nonoperating revenues</td>
<td>2,019,000</td>
<td>265,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>74,660,000</td>
<td>1,751,000</td>
<td>(1,156,000)</td>
</tr>
<tr>
<td><strong>Income (loss) before other additions</strong></td>
<td>(15,630,000)</td>
<td>327,000</td>
<td>18,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>94,000</td>
<td>—</td>
<td>(18,000)</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>—</td>
<td>428,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>(15,536,000)</td>
<td>755,000</td>
<td>—</td>
</tr>
</tbody>
</table>

### Net assets:

<table>
<thead>
<tr>
<th>Discretely presented component units</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>211,030,000</td>
<td>36,085,000</td>
<td>—</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>211,030,000</td>
<td>36,085,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$195,494,000</td>
<td>36,840,000</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from noncapital financing activities:</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from capital and related financing activities:</td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
</tr>
<tr>
<td>Net cash provided by capital and related financing activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from investing activities:</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income received</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
</tr>
<tr>
<td>Summary of cash and cash equivalents at end of year:</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td>Total cash and cash equivalents at end of year</td>
</tr>
</tbody>
</table>
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$ (90,290,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>12,240,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(322,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>37,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(351,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,957,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>1,107,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>423,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>257,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>538,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>158,000</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>$ (78,160,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$ 94,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>1,289,000</td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>789,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(392,000)</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>13,000</td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>73,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>10,000</td>
</tr>
<tr>
<td>Exchange of value with Auxiliaries</td>
<td>93,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN MARCOS
Transactions with Related Entities
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 1,040,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>1,040,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>4,120,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>4,120,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>1,139,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>1,139,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>—</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>764,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(764,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(14,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>14,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>94,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>94,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>20,000</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
SONOMA STATE UNIVERSITY
Statement of Net Assets
June 30, 2012

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,795,000</td>
<td>3,539,000</td>
<td>5,334,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>69,469,000</td>
<td>3,907,000</td>
<td>73,376,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,703,000</td>
<td>291,000</td>
<td>2,994,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>574,000</td>
<td>1,150,000</td>
<td>1,724,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>574,000</td>
<td>170,000</td>
<td>744,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>74,541,000</td>
<td>9,057,000</td>
<td>83,598,000</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>353,000</td>
<td>—</td>
<td>353,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,951,000</td>
<td>—</td>
<td>1,951,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>913,000</td>
<td>913,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>30,866,000</td>
<td>30,866,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>21,170,000</td>
<td>13,891,000</td>
<td>35,061,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>308,838,000</td>
<td>5,820,000</td>
<td>314,658,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>1,460,000</td>
<td>1,460,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>332,312,000</td>
<td>52,950,000</td>
<td>385,262,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>406,853,000</td>
<td>62,007,000</td>
<td>468,860,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
</tr>
<tr>
<td>Accrued compensated absences – current portion</td>
</tr>
<tr>
<td>Deferred revenue</td>
</tr>
<tr>
<td>Capitalized lease obligations – current portion</td>
</tr>
<tr>
<td>Long-term debt obligations – current portion</td>
</tr>
<tr>
<td>Self-insurance claims liability – current portion</td>
</tr>
<tr>
<td>Depository accounts – current portion</td>
</tr>
<tr>
<td>Other liabilities</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
</tr>
<tr>
<td>Deferred revenue</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
</tr>
<tr>
<td>Self-insurance claims liability, net of current portion</td>
</tr>
<tr>
<td>Depository accounts</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
</tr>
<tr>
<td>Other liabilities</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
</tr>
<tr>
<td>Net assets:</td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
</tr>
<tr>
<td>Restricted for:</td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
</tr>
<tr>
<td>Expendable:</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
</tr>
<tr>
<td>Research</td>
</tr>
<tr>
<td>Loans</td>
</tr>
<tr>
<td>Capital projects</td>
</tr>
<tr>
<td>Debt service</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
SONOMA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Assets
Year ended June 30, 2012

Discretely presented component units

<table>
<thead>
<tr>
<th></th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $13,848,000)</td>
<td>$50,843,000</td>
<td>3,277,000</td>
<td>54,120,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>6,986,000</td>
<td>—</td>
<td>7,077,000</td>
</tr>
<tr>
<td>State</td>
<td>645,000</td>
<td>138,000</td>
<td>783,000</td>
</tr>
<tr>
<td>Local</td>
<td>34,000</td>
<td>—</td>
<td>34,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>793,000</td>
<td>—</td>
<td>793,000</td>
</tr>
<tr>
<td>Sales and services of educational activities (net of scholarship allowances of $3,968,000)</td>
<td>20,622,000</td>
<td>7,473,000</td>
<td>28,095,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>4,755,000</td>
<td>—</td>
<td>4,755,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>85,100,000</td>
<td>12,455,000</td>
<td>97,555,000</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>44,043,000</td>
<td>—</td>
<td>44,043,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,165,000</td>
<td>—</td>
<td>1,165,000</td>
</tr>
<tr>
<td>Public service</td>
<td>9,709,000</td>
<td>1,000</td>
<td>9,710,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>13,847,000</td>
<td>—</td>
<td>13,847,000</td>
</tr>
<tr>
<td>Student services</td>
<td>13,191,000</td>
<td>5,442,000</td>
<td>18,633,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>145,418,000</td>
<td>9,880,000</td>
<td>155,298,000</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(60,318,000)</td>
<td>2,575,000</td>
<td>(57,743,000)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>44,156,000</td>
<td>—</td>
<td>44,156,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>11,003,000</td>
<td>—</td>
<td>11,003,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>5,821,000</td>
<td>—</td>
<td>5,821,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>5,213,000</td>
<td>(7,200,000)</td>
<td>7,892,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>390,000</td>
<td>402,000</td>
<td>792,000</td>
</tr>
<tr>
<td>Endowment loss, net</td>
<td>(783,000)</td>
<td>—</td>
<td>(783,000)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(6,704,000)</td>
<td>(321,000)</td>
<td>(7,025,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>2,715,000</td>
<td>(197,000)</td>
<td>2,517,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues (expenses)</strong></td>
<td>62,594,000</td>
<td>(8,099,000)</td>
<td>64,427,000</td>
</tr>
<tr>
<td>Income (loss) before other additions</td>
<td>2,276,000</td>
<td>(5,524,000)</td>
<td>6,684,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>11,848,000</td>
<td>(9,932,000)</td>
<td>1,916,000</td>
</tr>
<tr>
<td><strong>Additions to permanent endowments</strong></td>
<td></td>
<td>3,003,000</td>
<td>3,003,000</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>14,124,000</td>
<td>(2,521,000)</td>
<td>11,603,000</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year, as previously reported</td>
<td>172,843,000</td>
<td>55,642,000</td>
<td>228,485,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>172,843,000</td>
<td>55,642,000</td>
<td>228,485,000</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$186,967,000</td>
<td>53,121,000</td>
<td>240,088,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
SONOMA STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$52,724,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>6,587,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>721,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>35,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>757,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(31,656,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(90,133,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(12,132,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>403,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>20,625,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>5,203,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(46,866,000)</td>
</tr>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>44,156,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>11,025,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>5,821,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>5,213,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>40,568,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(40,577,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>1,767,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>67,973,000</td>
</tr>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>44,743,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>1,790,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>10,918,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(24,309,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(24,959,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(5,617,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(7,399,000)</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(4,833,000)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>243,952,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(262,183,000)</td>
</tr>
<tr>
<td>Investment income received</td>
<td>527,000</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(17,704,000)</td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>(1,430,000)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
<td>3,225,000</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$1,795,000</td>
</tr>
</tbody>
</table>

**Summary of cash and cash equivalents at end of year:**
- **Cash and cash equivalents** $1,795,000
- **Restricted cash and cash equivalents** —
- **Total cash and cash equivalents at end of year** $1,795,000

(Continued)
SONOMA STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2012

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(60,318,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>10,822,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(514,000)</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>55,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>311,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>153,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(192,000)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,419,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td></td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>380,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>18,000</td>
</tr>
</tbody>
</table>

Net cash used in operating activities $ (46,866,000)

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$ 1,702,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td>330,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>5,454,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td></td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>230,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>162,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary Organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$ 4,617,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>4,617,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>2,706,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>2,706,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>1,564,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>1,564,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>53,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>53,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>15,761,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from Auxiliary Organizations</td>
<td>15,761,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>130,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(130,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>(231,000)</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>244,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>(13,000)</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>43,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>43,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, STANISLAUS  
Statement of Net Assets  
June 30, 2012  

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$289,000</td>
<td>404,000</td>
<td>693,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>52,304,000</td>
<td>8,540,000</td>
<td>60,844,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,772,000</td>
<td>686,000</td>
<td>3,458,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>83,000</td>
<td></td>
<td>83,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>563,000</td>
<td>563,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>850,000</td>
<td>59,000</td>
<td>909,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>56,298,000</td>
<td>10,252,000</td>
<td>66,550,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>431,000</td>
<td>431,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>13,620,000</td>
<td>—</td>
<td>13,620,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>4,512,000</td>
<td>—</td>
<td>4,512,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>809,000</td>
<td>809,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>132,311,000</td>
<td>9,103,000</td>
<td>141,414,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,348,000</td>
<td>684,000</td>
<td>2,032,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>151,541,000</td>
<td>20,421,000</td>
<td>171,962,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>207,839,000</td>
<td>30,673,000</td>
<td>238,512,000</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets                                           |            |                         |             |
| **Current liabilities:**                                             |            |                         |             |
| Accounts payable                                                     | 2,489,000  | 419,000                 | 2,908,000   |
| Accrued salaries and benefits payable                                | 6,240,000  | 26,000                  | 6,266,000   |
| Accrued compensated absences – current portion                       | 2,243,000  | 46,000                  | 2,289,000   |
| Deferred revenue                                                     | 1,493,000  | 164,000                 | 1,657,000   |
| Capitalized lease obligations – current portion                      | 784,000    | 86,000                  | 870,000     |
| Long-term debt obligations – current portion                         | 785,000    | 220,000                 | 1,005,000   |
| Self-insurance claims liability – current portion                    | —          | —                       | —           |
| Depository accounts – current portion                                | —          | 4,000                   | 4,000       |
| Other liabilities                                                    | 2,360,000  | 245,000                 | 2,605,000   |
| **Total current liabilities**                                        | 16,394,000 | 1,210,000               | 17,604,000  |
| **Noncurrent liabilities:**                                          |            |                         |             |
| Accrued compensated absences, net of current portion                 | 1,308,000  | —                       | 1,308,000   |
| Deferred revenue                                                     | 950,000    | —                       | 950,000     |
| Capitalized lease obligations, net of current portion                | 1,235,000  | 4,520,000               | 5,755,000   |
| Long-term debt obligations, net of current portion                  | 35,347,000 | 3,018,000               | 38,365,000  |
| Self-insurance claims liability, net of current portion              | —          | —                       | —           |
| Depository accounts                                                  | 166,000    | —                       | 166,000     |
| Other postemployment benefits obligation                             | 1,348,000  | 684,000                 | 2,032,000   |
| Other liabilities                                                    | 1,721,000  | 1,340,000               | 3,061,000   |
| **Total noncurrent liabilities**                                     | 42,075,000 | 9,562,000               | 51,637,000  |
| **Total liabilities**                                                | 58,469,000 | 10,772,000              | 69,241,000  |

| Net assets:                                                          |            |                         |             |
| Invested in capital assets, net of related debt                     | 100,105,000| 1,259,000               | 101,364,000 |
| Restricted for:                                                     |            |                         |             |
| Nonexpendable – endowments                                          | —          | 8,221,000               | 8,221,000   |
| Expendable:                                                         |            |                         |             |
| Scholarships and fellowships                                        | 5,000      | 1,908,000               | 1,913,000   |
| Research                                                            | —          | —                       | —           |
| Loans                                                               | —          | —                       | —           |
| Capital projects                                                    | 13,654,000 | —                       | 13,654,000  |
| Debt service                                                        | 5,000      | —                       | 5,000       |
| Other                                                               | —          | 5,781,000               | 5,781,000   |
| Unrestricted                                                        | 35,601,000 | 2,732,000               | 38,333,000  |
| **Total net assets**                                                | $149,370,000| 19,901,000              | 169,271,000 |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, STANISLAUS  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Auxiliary organizations</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees</td>
<td>35,805,000</td>
<td>2,144,000</td>
<td>(1,298,000)</td>
<td>36,651,000</td>
</tr>
<tr>
<td>(net of scholarship</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>allowances of $28,315,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contracts,</td>
<td>3,592,000</td>
<td>—</td>
<td>—</td>
<td>3,592,000</td>
</tr>
<tr>
<td>noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>2,717,000</td>
<td>—</td>
<td>—</td>
<td>2,717,000</td>
</tr>
<tr>
<td>Local</td>
<td>1,066,000</td>
<td>—</td>
<td>—</td>
<td>1,066,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>375,000</td>
<td>—</td>
<td>—</td>
<td>375,000</td>
</tr>
<tr>
<td>Sales and services of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>educational activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sales and services of</td>
<td>4,805,000</td>
<td>1,312,000</td>
<td>—</td>
<td>6,117,000</td>
</tr>
<tr>
<td>auxiliary enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(net of scholarship</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>allowances of $1,399,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>4,286,000</td>
<td>995,000</td>
<td>(253,000)</td>
<td>5,028,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>52,646,000</td>
<td>4,451,000</td>
<td>(1,551,000)</td>
<td>55,546,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>44,071,000</td>
<td>159,000</td>
<td>—</td>
<td>44,230,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,384,000</td>
<td>—</td>
<td>—</td>
<td>1,384,000</td>
</tr>
<tr>
<td>Public service</td>
<td>1,136,000</td>
<td>—</td>
<td>—</td>
<td>1,136,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>12,597,000</td>
<td>29,000</td>
<td>—</td>
<td>12,626,000</td>
</tr>
<tr>
<td>Student services</td>
<td>11,845,000</td>
<td>3,427,000</td>
<td>—</td>
<td>15,272,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>12,066,000</td>
<td>401,000</td>
<td>—</td>
<td>12,467,000</td>
</tr>
<tr>
<td>Operation and maintenance</td>
<td>21,214,000</td>
<td>682,000</td>
<td>—</td>
<td>21,896,000</td>
</tr>
<tr>
<td>of plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student grants and</td>
<td>5,960,000</td>
<td>—</td>
<td>(1,551,000)</td>
<td>4,409,000</td>
</tr>
<tr>
<td>scholarships</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and</td>
<td>7,898,000</td>
<td>476,000</td>
<td>—</td>
<td>8,374,000</td>
</tr>
<tr>
<td>amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>127,931,000</td>
<td>7,091,000</td>
<td>(1,890,000)</td>
<td>133,132,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(75,285,000)</td>
<td>(2,640,000)</td>
<td>339,000</td>
<td>(77,586,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonoperating revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations,</td>
<td>45,355,000</td>
<td>—</td>
<td>—</td>
<td>45,355,000</td>
</tr>
<tr>
<td>noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal financial aid</td>
<td>21,173,000</td>
<td>—</td>
<td>—</td>
<td>21,173,000</td>
</tr>
<tr>
<td>grants, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State financial aid grants,</td>
<td>12,283,000</td>
<td>—</td>
<td>—</td>
<td>12,283,000</td>
</tr>
<tr>
<td>noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local financial aid grants,</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental and other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>financial aid grants,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other federal no operating</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>grants, noncapital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>774,000</td>
<td>1,567,000</td>
<td>—</td>
<td>2,341,000</td>
</tr>
<tr>
<td>Investment income (loss),</td>
<td>379,000</td>
<td>(78,000)</td>
<td>—</td>
<td>301,000</td>
</tr>
<tr>
<td>net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment income (loss),</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,936,000)</td>
<td>(226,000)</td>
<td>—</td>
<td>(2,162,000)</td>
</tr>
<tr>
<td>Other no operating</td>
<td>3,503,000</td>
<td>(14,000)</td>
<td>(339,000)</td>
<td>3,150,000</td>
</tr>
<tr>
<td>revenues (expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net no operating revenues</td>
<td>81,531,000</td>
<td>1,249,000</td>
<td>(339,000)</td>
<td>82,441,000</td>
</tr>
<tr>
<td>(loss) before other</td>
<td>6,246,000</td>
<td>(1,391,000)</td>
<td>—</td>
<td>4,855,000</td>
</tr>
<tr>
<td>additions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations,</td>
<td>15,722,000</td>
<td>—</td>
<td>—</td>
<td>15,722,000</td>
</tr>
<tr>
<td>capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>382,000</td>
<td>—</td>
<td>—</td>
<td>382,000</td>
</tr>
<tr>
<td>Additions (reductions) to</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>permanent endowments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in net</td>
<td>22,350,000</td>
<td>(1,391,000)</td>
<td>—</td>
<td>20,959,000</td>
</tr>
<tr>
<td>assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of</td>
<td>127,020,000</td>
<td>21,292,000</td>
<td>—</td>
<td>148,312,000</td>
</tr>
<tr>
<td>year, as previously</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets at beginning of</td>
<td>127,020,000</td>
<td>21,292,000</td>
<td>—</td>
<td>148,312,000</td>
</tr>
<tr>
<td>year, as restated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>149,370,000</td>
<td>19,901,000</td>
<td>—</td>
<td>169,271,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, STANISLAUS  
Statement of Cash Flows  
Year ended June 30, 2012

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
</tr>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal payments received on capital leases</td>
</tr>
<tr>
<td>Interest payments received on capital leases</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
</tr>
<tr>
<td>Interest payments received on notes receivable</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income received</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
</tr>
<tr>
<td><strong>Summary of cash and cash equivalents at end of year:</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
</tr>
</tbody>
</table>
Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(75,285,000)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,898,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>315,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>(641,000)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>31,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(63,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>22,000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>83,000</td>
</tr>
<tr>
<td>Self-insurance claims liability</td>
<td>(513,000)</td>
</tr>
<tr>
<td>Depository accounts</td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>$(66,642,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed capital assets</td>
<td>$382,000</td>
</tr>
<tr>
<td>Acquisition of capital asset through capital lease</td>
<td></td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>1,151,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td></td>
</tr>
<tr>
<td>Amortization of bond premium and discount</td>
<td>49,000</td>
</tr>
<tr>
<td>Amortization of loss on refundings</td>
<td>37,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
<table>
<thead>
<tr>
<th>Description</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments from Auxiliary organizations for salaries of University personnel working on contracts, grants, and other programs</td>
<td>$79,000</td>
</tr>
<tr>
<td>Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs</td>
<td>79,000</td>
</tr>
<tr>
<td>Payments from Auxiliary Organizations for other than salaries of University personnel</td>
<td>2,882,000</td>
</tr>
<tr>
<td>Reimbursements to University for other than salaries of University personnel</td>
<td>2,882,000</td>
</tr>
<tr>
<td>Payments to recognized Auxiliary Organizations for services, space, and programs</td>
<td>2,757,000</td>
</tr>
<tr>
<td>Payments received from University for services, space, and programs</td>
<td>2,757,000</td>
</tr>
<tr>
<td>Gifts in kind to the University from Auxiliary Organizations</td>
<td>809,000</td>
</tr>
<tr>
<td>Gifts (cash or assets) to the University from recognized Auxiliary Organizations</td>
<td>809,000</td>
</tr>
<tr>
<td>Accounts receivable from recognized Auxiliary Organizations</td>
<td>97,000</td>
</tr>
<tr>
<td>Amounts payable to University</td>
<td>(97,000)</td>
</tr>
<tr>
<td>Other amounts receivable from recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Other amounts payable to University</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to recognized Auxiliary Organizations</td>
<td>—</td>
</tr>
<tr>
<td>Amounts receivable from University</td>
<td>417,000</td>
</tr>
<tr>
<td>Other amounts payable to recognized Auxiliary Organizations</td>
<td>(417,000)</td>
</tr>
<tr>
<td>Other amounts receivable from University</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for administrative activities</td>
<td>—</td>
</tr>
<tr>
<td>Payments to CO for state pro rata charges</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – revenue bond programs</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office – other</td>
<td>208,000</td>
</tr>
<tr>
<td>Accounts receivable from Chancellor’s Office</td>
<td>208,000</td>
</tr>
<tr>
<td>Accounts payable to Chancellor’s Office</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable from campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable to campuses other than CO</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations received</td>
<td>—</td>
</tr>
<tr>
<td>State Lottery appropriations receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.