



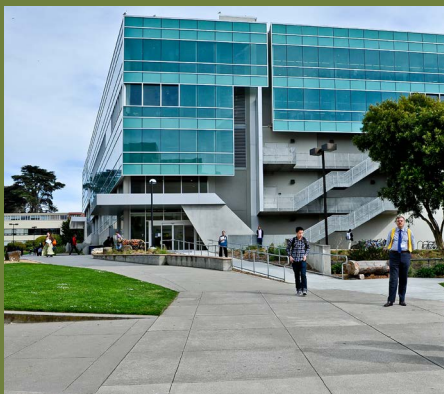
SAN DIEGO STATE



CSU CHICO

FINANCIAL STATEMENTS

JUNE 30, 2013



SAN FRANCISCO STATE



CSU LOS ANGELES



CSU EAST BAY

Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay
Fresno

Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy
Monterey Bay

Northridge
Pomona
Sacramento
San Bernardino
San Diego
San Francisco

San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus

CALIFORNIA STATE UNIVERSITY

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KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report

The Board of Trustees
California State University:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the California State University, an agency of the State of California (the State), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise California State University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 90 of the 92 aggregate discretely presented component units, which statements reflect total assets constituting 94% and total revenues constituting 94% of the aggregate discretely presented totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the 90 discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained and the reports of the other auditors is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

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 business-type activities and the aggregate discretely presented component units of the California State University, as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, California State University adopted Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*, as of June 30, 2013. The cumulative effect of the implementation of GASB Statement No. 61 resulted in the restatement of net position as of the beginning of the year for both California State University and the discretely presented component units in the amount of \$58,358,000.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013 on our consideration of California State 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the California State University's internal control over financial reporting and compliance.



Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 55 to 169 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

KPMG LLP

October 15, 2013

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

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, 2013, including 23 campuses and the Office of the Chancellor (together referred to as the University), and 92 discretely presented component units (primarily 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 discretely presented component units and may be obtained from the individual campuses.

The financial statements of the University for the year ended June 30, 2013 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 position, the statement of revenues, expenses, and changes in net position, 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 discretely presented component units 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 position is the University's balance sheet. It presents information on all of the University's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these four are reported as net position (equity). Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally reported at their book value, except investments, which are reported at their fair market value. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the University.

The University's net position is classified into three categories:

- Net investment in capital assets
- Restricted
- Unrestricted

Changes from one year to the next in total net position as presented on the statement of net position are based on the activity presented on the statement of revenues, expenses, and changes in net position.

The statement of revenues, expenses, and changes in net position 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.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

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 component units is not included in the University's financial statements.

Financial Highlights

The noncapital state appropriation for the University in fiscal year 2013 was \$2.07 billion, \$72 million higher than in fiscal year 2012. The student tuition fee revenues increased by \$16.1 million in fiscal year 2013, mainly due to student enrollment growth. In fiscal year 2013, the University refunded \$126 million as a rollback of the tuition fee increase in the beginning of the fiscal year, of which \$125 million is expected to be recovered through the State Budget Act for fiscal year 2014.

Headcount enrollment increased from 422,063 in fiscal year 2012 to 426,212 in fiscal year 2013, as reflected in the chart on the following page. At the same time, Full-Time Equivalent Students increased from 355,609 in fiscal year 2012 to 358,794 in fiscal year 2013.

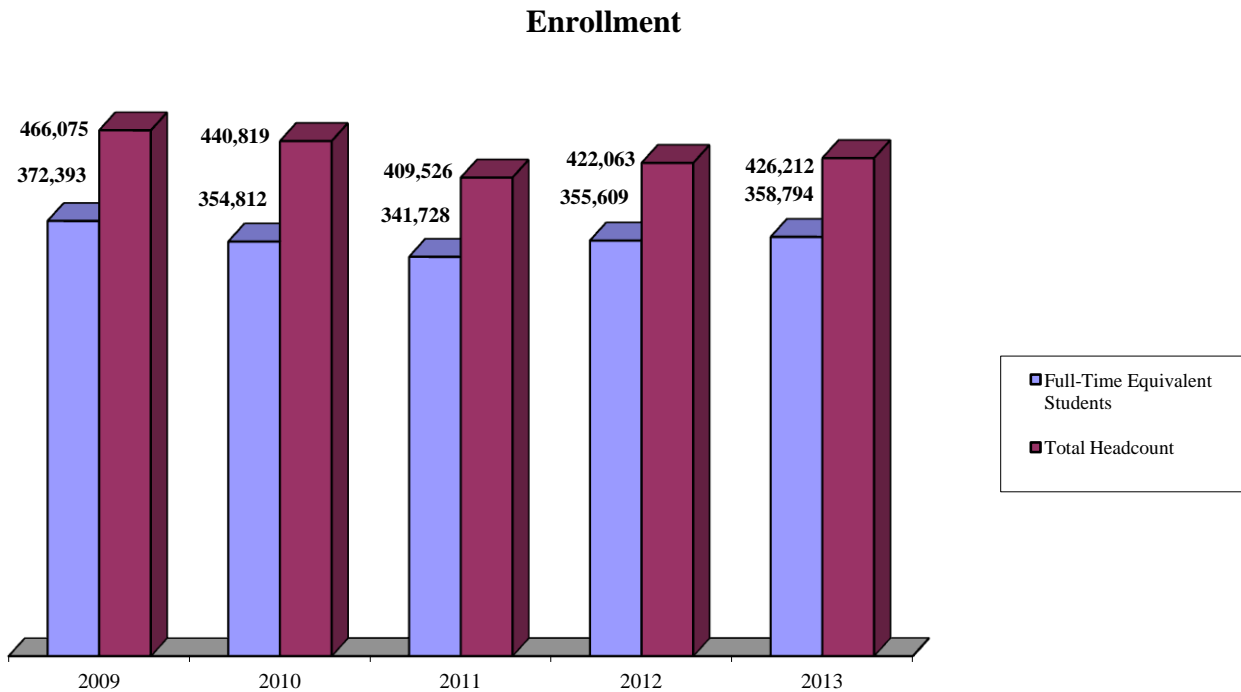
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Management's Discussion and Analysis

June 30, 2013

(Unaudited)

The following chart displays the University's historical enrollment data by fiscal year:



Financial Analysis

The following sections provide additional details on the University's financial position and activities for fiscal years 2013 and 2012 and a look ahead at economic conditions that are expected to affect the University in the future:

- I. Condensed Schedule of Net Position
- II. Condensed Schedule of Revenues, Expenses, and Changes in Net Position

In fiscal year 2013, the University implemented new GASB accounting pronouncements. As a result, the California State University Risk Management Authority (CSURMA) changed from a blended component unit into a discretely presented component unit in accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The effects of the change to the University's financial statements are discussed throughout this analysis.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

I. Condensed Schedule of Net Position

	University		Discretely Presented Component Units	
	2013	2012	2013	2012
	(In thousands)			
Current assets	\$ 2,862,724	2,824,645	1,065,568	997,310
Capital assets, net	7,689,116	7,623,133	796,835	794,460
Other noncurrent assets	<u>1,568,821</u>	<u>1,730,841</u>	<u>1,869,282</u>	<u>1,636,020</u>
Total assets	<u>12,120,661</u>	<u>12,178,619</u>	<u>3,731,685</u>	<u>3,427,790</u>
Deferred outflows of resources	<u>32,020</u>	—	<u>5,071</u>	—
Current liabilities	1,073,707	1,109,094	352,489	384,427
Noncurrent liabilities	<u>5,395,972</u>	<u>5,250,748</u>	<u>1,059,656</u>	<u>992,523</u>
Total liabilities	<u>6,469,679</u>	<u>6,359,842</u>	<u>1,412,145</u>	<u>1,376,950</u>
Deferred inflows of resources	<u>—</u>	—	<u>2,481</u>	—
Net position:				
Net investment in capital assets	3,693,066	3,809,170	182,928	198,606
Restricted:				
Nonexpendable	20,627	21,584	847,651	806,592
Expendable	87,510	74,967	759,064	642,054
Unrestricted	<u>1,881,799</u>	<u>1,913,056</u>	<u>532,487</u>	<u>403,588</u>
Total net position	<u>\$ 5,683,002</u>	<u>5,818,777</u>	<u>2,322,130</u>	<u>2,050,840</u>

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 other noncurrent assets of \$4.4 billion for the University represent a decrease of \$123.9 million compared to \$4.6 billion in fiscal year 2012. The decrease is due mainly to GASB Statement No. 61 implementation in the current year which changed CSURMA from a blended component unit to a discretely presented component unit. CSURMA had \$155.5 million of current and noncurrent assets as part of University, of which \$139 million are investments, in 2012, whereas it has \$167.2 million of current and noncurrent assets as part of discretely presented component units, of which \$153.1 million are investments, in 2013. In addition, the University's state appropriation receivable decreased by \$84.8 million as a result of the continuing expenditures for capital projects, offset by current year state appropriations, and decline in leases receivable by \$10.7 million. These decreases are offset by the new note agreements with certain component units of \$48 million to finance existing or newly constructed facilities; reinvestment of \$41.5 million net investment income; and \$25 million net increase in prepaid expenses and other assets mainly due to an increase in capitalized interest and construction reserves on State Public Works Board (SPWB) capital lease obligations.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

Current and other noncurrent assets for the discretely presented component units increased by \$301.5 million mainly due to a \$350 million increase in investments offset by a \$57.3 million decrease in restricted cash and cash equivalents. As discussed on page 6, the implementation of GASB Statement No. 61 resulted to an increase of \$153.1 million in investments. The endowment investments also increased by \$134.5 million in 2013.

Capital Assets, Net

The University's capital assets, net of accumulated depreciation, as of June 30, 2013 and 2012, comprise the following:

	<u>2013</u>	<u>2012</u>
	(In thousands)	
Land and land improvements	\$ 256,976	256,993
Buildings and building improvements	5,823,857	5,916,053
Improvements other than buildings	166,195	144,383
Infrastructure	587,858	584,260
Equipment	202,809	208,148
Library books and materials	39,196	42,286
Works of art and historical treasures	28,697	25,423
Intangible assets	29,551	33,201
Construction work in progress	553,977	412,386
Total	<u>\$ 7,689,116</u>	<u>7,623,133</u>

Total capital assets, net of accumulated depreciation, increased by \$66 million during 2013 as a result of additions on various capital projects including the following:

- 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; and
- Construction in progress on the \$57 million Pomona Recreation Center

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

Deferred Outflows of Resources

Deferred outflows of resources are consumption of net assets that is applicable to a future reporting period which has a positive effect on the net position. The University's deferred outflows of resources consist of unamortized loss on debt refunding (reported as net of long-term debt obligation in 2012) in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective as of June 30, 2013. The unamortized loss on debt refunding increased by \$5.6 million mainly due to the partial refunding of Systemwide Revenue Bonds series 2002A, 2003A, and 2004A through the issuance of Series 2012A and 2012B in August 2012 and offset by current year amortization.

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, accrued compensated absences, unearned revenues, grants refundable, capitalized lease obligations, long-term debt obligations, claims liability for losses and loss adjustment expenses, depository accounts, other postemployment benefit obligations, and other liabilities.

Current and noncurrent liabilities for the University increased by \$109.8 million, primarily due to a \$136.1 million increase in long-term debt obligations. Other major factors included an increase of \$46.4 million in other postemployment benefits (OPEB) obligations allocated from the State and a decrease of \$76.3 million in claims liability for losses and loss adjustment expenses (previously referred to as self-insurance claims liability) as a result of the implementation of GASB Statement No. 61.

Long-Term Debt Obligations

The University's long-term debt obligations are summarized as follows:

	<u>2013</u>	<u>2012</u>
	(In thousands)	
Systemwide revenue bonds	\$ 3,604,708	3,542,648
Bond anticipation notes	27,055	38,542
Other	80,352	75,908
Total	<u>3,712,115</u>	<u>3,657,098</u>
Unamortized bond net premium	133,989	79,325
Unamortized loss on debt refunding	—	(26,443)
Total long-term debt obligations	<u>3,846,104</u>	<u>3,709,980</u>
Less current portion	<u>(98,747)</u>	<u>(110,097)</u>
Long-term debt obligations, net of current portion	<u>\$ 3,747,357</u>	<u>3,599,883</u>

The University's total long-term debt obligations (net of repayments) increased by \$136.1 million in 2013, mainly due to the issuance of Systemwide Revenue Bonds Series 2012A and Series 2012B and the partial refunding of Series 2002A, 2003A, and 2004A.

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Management's Discussion and Analysis

June 30, 2013

(Unaudited)

The table does not include the University's capitalized lease obligations. Capitalized lease obligations for the University increased by \$155.9 million in 2013, consisting primarily of new capital lease obligations of \$167 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, 2013 and 2012 is approximately \$2.6 billion.

No fundamental changes occurred in the revenues and expenditures of the revenue bond programs during fiscal year 2013. 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 stable outlook, for the Systemwide Revenue Bonds. Standard & Poor's Ratings Services currently provides an intrinsic rating of A+, with a positive 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, Series 2010B, Series 2011A, Series 2012A, and Series 2012B, 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 Ratings Services.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

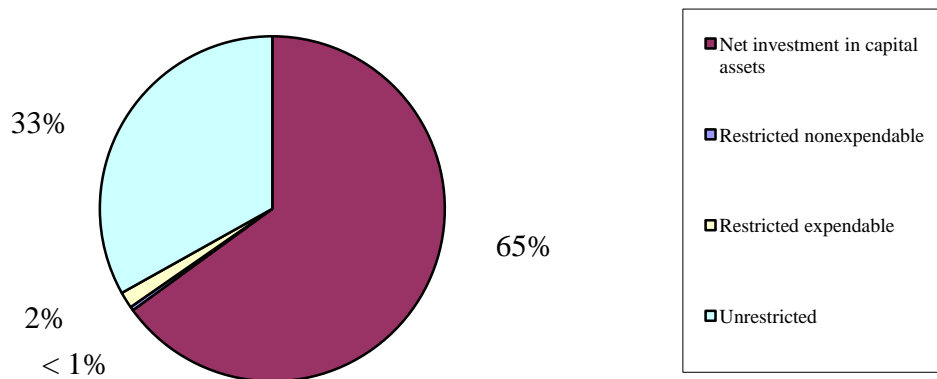
June 30, 2013

(Unaudited)

Net Position

As noted earlier, net position may serve over time as a useful indicator of the University's financial position. As of June 30, 2013, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5.7 billion for the University with no significant changes in total net position from prior year.

**University Net Position
June 30, 2013**



Total Net Position: \$5,683,002,000

- **Net investment in capital assets**

The net position category "Net investment in capital assets" 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 and any related deferred outflows of resources. The University uses these capital assets in its day-to-day operations. This category is the largest portion of the University's net position year-over-year. The net investment in capital assets decreased by \$116 million as a result of depreciation of capital assets at a faster rate than repayment of the long-term debt.

- **Restricted**

Restricted net position has constraints on its 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 position category consists of two subcategories: "Restricted nonexpendable" and "Restricted expendable."

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

i. Restricted nonexpendable

The restricted nonexpendable net position is 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 position.

ii. Restricted expendable

Restricted expendable net position represents resources that are subject to external restrictions on how they may be used. Such restrictions are primarily related to scholarships, capital projects, loans, and debt service funds. In the current year, there was no significant change in the University's restricted expendable net position.

- **Unrestricted**

The unrestricted net position represents all other net resources available to the University for general and educational obligations. Under generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net position is not subject to externally imposed restrictions per accounting definitions, the predominant portions of the unrestricted net position are designated for specific programs or projects related to certain revenue sources, as further explained in the following paragraphs. The unrestricted net position for the University decreased by \$31.3 million to \$1.9 billion as of June 30, 2013, which consists of \$1.26 billion designated resources from various funds and \$622 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 position category, the designated resources are derived 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 fees including Housing and Parking fees, campus activities fees, 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 \$1.26 billion in designated unrestricted net position, approximately 62% 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 13% was designated for supporting activities related to education, financial aid, and other programs.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

II. Condensed Schedule of Revenues, Expenses, and Changes in Net Position

	University		Discretely presented component units	
	2013	2012	2013	2012
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,081,251	2,065,126	185,213	176,233
Grants and contracts, noncapital	91,361	92,915	476,416	511,981
Sales and services of educational activities	35,355	35,406	28,595	31,437
Sales and services of auxiliary enterprises, net	402,626	389,246	459,091	467,820
Other operating revenues	187,155	177,126	228,771	135,795
Total operating revenues	2,797,748	2,759,819	1,378,086	1,323,266
Operating expenses	6,208,408	6,040,493	1,490,919	1,429,991
Operating loss	(3,410,660)	(3,280,674)	(112,833)	(106,725)
Nonoperating revenues, net:				
State appropriations, noncapital	2,068,465	1,996,421	—	—
Federal financial aid grants, noncapital	810,838	795,097	1,541	1,414
State financial aid grants, noncapital	437,517	394,367	1,333	1,229
Local financial aid grants, noncapital	—	—	233	293
Nongovernmental and other financial aid grants, noncapital	30,831	20,356	172	555

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

	University		Discretely presented component units	
	2013	2012	2013	2012
	(In thousands)			
Other federal nonoperating grants, noncapital	\$ 3,326	4,197	—	—
Gifts, noncapital	47,861	39,835	168,392	117,269
Investment income, net	41,522	59,067	59,102	8,224
Endowment income, net	129	85	85,241	(9,566)
Interest expense	(244,187)	(213,138)	(29,547)	(31,803)
Other nonoperating revenues (expenses)	79,702	53,346	(26,420)	(7,931)
Net nonoperating revenues	3,276,004	3,149,633	260,047	79,684
Income (loss) before other revenues and expenses	(134,656)	(131,041)	147,214	(27,041)
State appropriations, capital	16,983	7,021	—	—
Grants and gifts, capital	40,832	35,978	17,021	12,273
Additions (reductions) to permanent endowments	(576)	(37)	56,211	35,173
Change in net position	(77,417)	(88,079)	220,446	20,405
Net position – beginning of year, as previously reported	5,818,777	5,906,856	2,050,840	2,025,810
Restatements	(58,358)	—	50,844	4,625
Net position – beginning of year, as restated	5,760,419	5,906,856	2,101,684	2,030,435
Net position – end of year	\$ 5,683,002	5,818,777	2,322,130	2,050,840

CALIFORNIA STATE UNIVERSITY

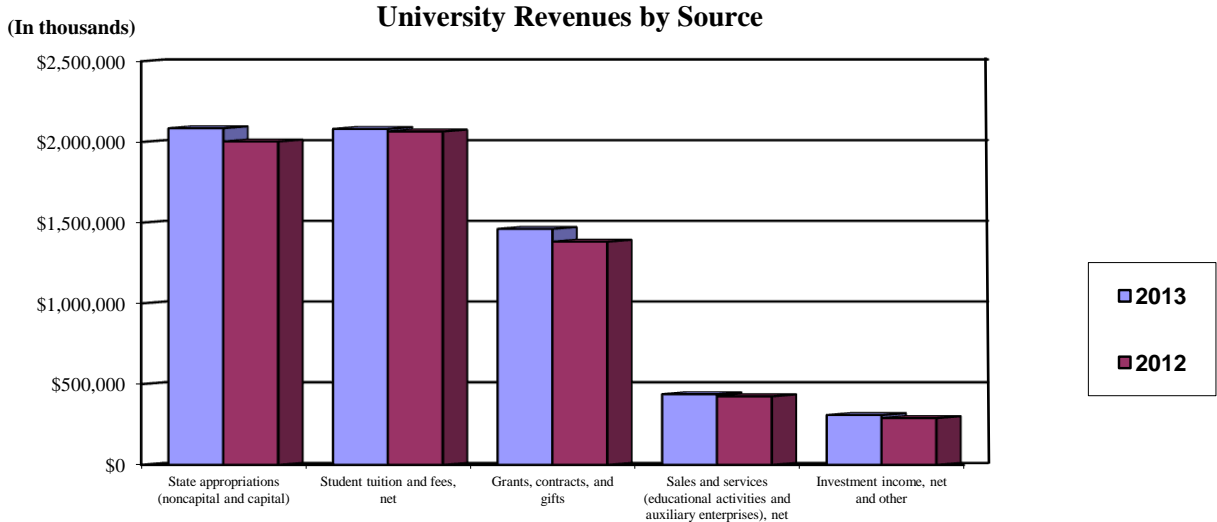
Management's Discussion and Analysis

June 30, 2013

(Unaudited)

Revenues (Operating and Nonoperating)

The following chart displays the components of the University's revenues for fiscal years 2013 and 2012:



	<u>2013</u>	<u>Percentage of total</u>	<u>2012</u>	<u>Percentage of total</u>
	(In thousands)			
State appropriations (noncapital and capital)	\$ 2,085,448	32.7%	2,003,442	32.5%
Student tuition and fees, net	2,081,251	32.7%	2,065,126	33.5%
Grants, contracts, and gifts	1,461,990	22.9%	1,382,708	22.4%
Sales and services (educational activities and auxiliary enterprises, net)	437,981	6.9%	424,652	6.9%
Investment income, net and other	308,508	4.8%	289,624	4.7%
Total revenues (operating and nonoperating)	\$ 6,375,178	100.0%	6,165,552	100.0%

The two largest components of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 65.4% of the University's revenues in fiscal year 2013. State appropriations are received for both noncapital and capital purposes. Noncapital appropriations increased by \$72.0 million, or 3.6%,

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

from \$2.0 billion to \$2.07 billion in the current year. Capital appropriations increased by \$10.0 million, or 141.9%, from \$7.0 million to \$17.0 million in the current year. The student tuition and fees net of scholarship and allowances, increased by \$16.1 million, or 0.8%, mainly due to increase in overall student enrollment.

A significant portion of the University's contracts and grants revenue is managed through its component units. Of the total reporting entity's contracts and grants revenue (\$1.8 billion), 26.1% is managed by these related entities. Contracts and grants revenue for the University has increased \$66.9 million or 5.1% in the current year.

Total gift income for the University and the discretely presented component units (which includes operating and capital gifts, as well as additions to permanent endowments) reached \$274.3 million, or 3.4% of the reporting entity's total revenues in fiscal year 2013. It increased \$74.8 million or 37.5% from \$199.5 million in 2012. 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 component units depending on the campus, whereas student unions are run by component units. There was no significant change in sales and services of auxiliary enterprises revenue for the total reporting entity (either the University or component units) 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 revenues, increased by \$18.9 million to \$308.5 million in the current year. The increase was primarily due to an increase of \$26.4 million in other nonoperating revenues and \$10 million increase in other operating revenues, offset by a decrease of \$17.5 million in investment income, net, 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 Consolidated Investment Pool. The University's strategy is to continue in investing in securities with low interest rates and short maturities.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2013

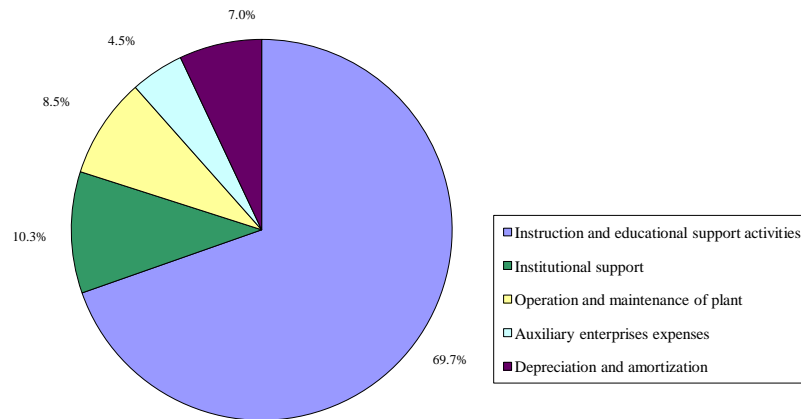
(Unaudited)

Operating 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 69.7% of the total operating expenses of the University as shown below:

(In thousands)

Instruction	\$ 2,133,286	34.4%
Research	42,503	0.7%
Public service	65,304	1.1%
Academic support	601,204	9.7%
Student services	653,141	10.5%
Student grants and scholarships	<u>826,933</u>	<u>13.3%</u>
 Total instruction and educational support activities	 4,322,371	 69.7%
 Institutional support	 640,419	 10.3%
Operation and maintenance of plant	528,776	8.5%
Auxiliary enterprises expenses	281,312	4.5%
Depreciation and amortization	<u>435,530</u>	<u>7.0%</u>
 Total operating expenses	 <u>\$ 6,208,408</u>	 <u>100.0%</u>



CALIFORNIA STATE UNIVERSITY

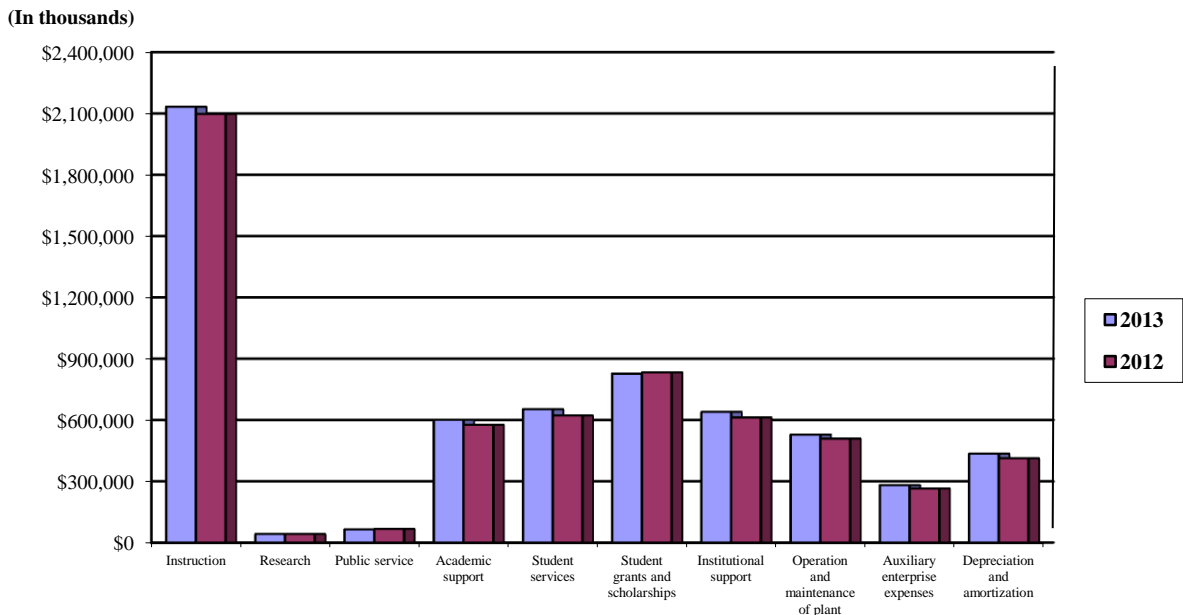
Management's Discussion and Analysis

June 30, 2013

(Unaudited)

Total operating expenses for the University increased by \$167.9 million in the current year. The increase was a result of primarily the increase in employees' and retirees' benefit costs, and insurance premiums resulting in an increase of \$35.9 million in instruction expenses, \$24.3 million in academic support, \$30.5 million in student services and \$27.9 million in institutional support. 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 below displays the University's operating expenses by program for fiscal years 2013 and 2012.

University Operating Expenses by Program



Factors Impacting Future Periods

The State Budget Act for fiscal year 2014, approved by the Governor on June 27, 2013, resulted in noncapital state appropriation of \$2.34 billion, which represents an increase of \$267 million over the fiscal year 2013 enacted budget. This increase consists of \$125 million to restore the University's revenue loss from the fiscal year 2013 tuition fee rollback, another \$125 million increase in general noncapital operating budget support, and \$17 million for other items.

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2013

	Assets	University	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 8,332,000	200,126,000	208,458,000
Short-term investments		2,626,675,000	553,474,000	3,180,149,000
Accounts receivable, net		151,697,000	227,629,000	379,326,000
Leases receivable, current portion		10,992,000	1,986,000	12,978,000
Notes receivable, current portion		11,453,000	4,421,000	15,874,000
Pledges receivable, net		413,000	38,110,000	38,523,000
Prepaid expenses and other assets		53,162,000	39,822,000	92,984,000
Total current assets		<u>2,862,724,000</u>	<u>1,065,568,000</u>	<u>3,928,292,000</u>
Noncurrent assets:				
Restricted cash and cash equivalents		43,000	34,218,000	34,261,000
Accounts receivable, net		362,254,000	64,894,000	427,148,000
Leases receivable, net of current portion		371,361,000	69,974,000	441,335,000
Notes receivable, net of current portion		266,234,000	37,778,000	304,012,000
Student loans receivable, net		87,171,000	1,167,000	88,338,000
Pledges receivable, net		456,000	96,660,000	97,116,000
Endowment investments		20,657,000	1,087,662,000	1,108,319,000
Other long-term investments		397,072,000	441,052,000	838,124,000
Capital assets, net		7,689,116,000	796,835,000	8,485,951,000
Other assets		63,573,000	35,877,000	99,450,000
Total noncurrent assets		<u>9,257,937,000</u>	<u>2,666,117,000</u>	<u>11,924,054,000</u>
Total assets		<u>12,120,661,000</u>	<u>3,731,685,000</u>	<u>15,852,346,000</u>
	Deferred Outflows of Resources			
Deferred outflows of resources		<u>32,020,000</u>	<u>5,071,000</u>	<u>37,091,000</u>
	Liabilities			
Current liabilities:				
Accounts payable		183,918,000	80,300,000	264,218,000
Accrued salaries and benefits payable		278,947,000	22,521,000	301,468,000
Accrued compensated absences, current portion		116,287,000	14,001,000	130,288,000
Unearned revenue		244,712,000	59,420,000	304,132,000
Capitalized lease obligations, current portion		68,364,000	13,570,000	81,934,000
Long-term debt obligations, current portion		98,747,000	30,678,000	129,425,000
Claims liability for losses and loss adjustment expenses, current portion		—	28,928,000	28,928,000
Depository accounts, current portion		7,425,000	11,758,000	19,183,000
Other liabilities		75,307,000	91,313,000	166,620,000
Total current liabilities		<u>1,073,707,000</u>	<u>352,489,000</u>	<u>1,426,196,000</u>
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		89,528,000	3,524,000	93,052,000
Unearned revenue		11,439,000	12,117,000	23,556,000
Grants refundable		93,818,000	4,542,000	98,360,000
Capitalized lease obligations, net of current portion		1,077,274,000	349,216,000	1,426,490,000
Long-term debt obligations, net of current portion		3,747,357,000	447,295,000	4,194,652,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	59,229,000	59,229,000
Depository accounts		4,463,000	19,405,000	23,868,000
Other postemployment benefits obligation		219,018,000	105,018,000	324,036,000
Other liabilities		153,075,000	59,310,000	212,385,000
Total noncurrent liabilities		<u>5,395,972,000</u>	<u>1,059,656,000</u>	<u>6,455,628,000</u>
Total liabilities		<u>6,469,679,000</u>	<u>1,412,145,000</u>	<u>7,881,824,000</u>
	Deferred Inflows of Resources			
Deferred inflows of resources		<u>—</u>	<u>2,481,000</u>	<u>2,481,000</u>
	Net Position			
Net position:				
Net investment in capital assets		3,693,066,000	182,928,000	3,875,994,000
Restricted for:				
Nonexpendable – endowments		20,627,000	847,651,000	868,278,000
Expendable:				
Scholarships and fellowships		14,099,000	183,721,000	197,820,000
Research		420,000	28,675,000	29,095,000
Loans		14,403,000	1,788,000	16,191,000
Capital projects		39,557,000	38,021,000	77,578,000
Debt service		3,819,000	10,600,000	14,419,000
Other		15,212,000	496,259,000	511,471,000
Unrestricted		1,881,799,000	532,487,000	2,414,286,000
Total net position		<u>\$ 5,683,002,000</u>	<u>2,322,130,000</u>	<u>8,005,132,000</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>University</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$1,126,003,000)	\$ 2,081,251,000	185,213,000	(11,494,000)	2,254,970,000
Grants and contracts, noncapital:				
Federal	62,108,000	333,250,000	—	395,358,000
State	14,002,000	78,555,000	(3,368,000)	89,189,000
Local	6,667,000	14,028,000	—	20,695,000
Nongovernmental	8,584,000	50,583,000	(340,000)	58,827,000
Sales and services of educational activities	35,355,000	28,595,000	—	63,950,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$53,309,000)	402,626,000	459,091,000	(6,883,000)	854,834,000
Other operating revenues	187,155,000	228,771,000	(5,912,000)	410,014,000
Total operating revenues	<u>2,797,748,000</u>	<u>1,378,086,000</u>	<u>(27,997,000)</u>	<u>4,147,837,000</u>
Expenses:				
Operating expenses:				
Instruction	2,133,286,000	170,884,000	(2,709,000)	2,301,461,000
Research	42,503,000	202,892,000	(374,000)	245,021,000
Public service	65,304,000	155,446,000	(4,536,000)	216,214,000
Academic support	601,204,000	68,132,000	(1,697,000)	667,639,000
Student services	653,141,000	151,032,000	(29,152,000)	775,021,000
Institutional support	640,419,000	190,687,000	(12,876,000)	818,230,000
Operation and maintenance of plant	528,776,000	35,749,000	(6,002,000)	558,523,000
Student grants and scholarships	826,933,000	49,111,000	(24,186,000)	851,858,000
Auxiliary enterprise expenses	281,312,000	420,374,000	(12,223,000)	689,463,000
Depreciation and amortization	435,530,000	46,612,000	—	482,142,000
Total operating expenses	<u>6,208,408,000</u>	<u>1,490,919,000</u>	<u>(93,755,000)</u>	<u>7,605,572,000</u>
Operating loss	<u>(3,410,660,000)</u>	<u>(112,833,000)</u>	<u>65,758,000</u>	<u>(3,457,735,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	2,068,465,000	—	—	2,068,465,000
Federal financial aid grants, noncapital	810,838,000	1,541,000	—	812,379,000
State financial aid grants, noncapital	437,517,000	1,333,000	—	438,850,000
Local financial aid grants, noncapital	—	233,000	—	233,000
Nongovernmental and other financial aid grants, noncapital	30,831,000	172,000	(16,529,000)	14,474,000
Other federal nonoperating grants, noncapital	3,326,000	—	—	3,326,000
Gifts, noncapital	47,861,000	168,392,000	(34,248,000)	182,005,000
Investment income, net	41,522,000	59,102,000	—	100,624,000
Endowment income	129,000	85,241,000	—	85,370,000
Interest expense	(244,187,000)	(29,547,000)	—	(273,734,000)
Other nonoperating revenues (expenses)	79,702,000	(26,420,000)	6,203,000	59,485,000
Net nonoperating revenues	<u>3,276,004,000</u>	<u>260,047,000</u>	<u>(44,574,000)</u>	<u>3,491,477,000</u>
Income (loss) before other revenues and expenses	<u>(134,656,000)</u>	<u>147,214,000</u>	<u>21,184,000</u>	<u>33,742,000</u>
State appropriations, capital	16,983,000	—	—	16,983,000
Grants and gifts, capital	40,832,000	17,021,000	(21,184,000)	36,669,000
Additions (reduction) to permanent endowments	(576,000)	56,211,000	—	55,635,000
Increase (decrease) in net position	<u>(77,417,000)</u>	<u>220,446,000</u>	<u>—</u>	<u>143,029,000</u>
Net position:				
Net position at beginning of year, as previously reported	5,818,777,000	2,050,840,000	—	7,869,617,000
Restatements	(58,358,000)	50,844,000	—	(7,514,000)
Net position at beginning of year, as restated	<u>5,760,419,000</u>	<u>2,101,684,000</u>	<u>—</u>	<u>7,862,103,000</u>
Net position at end of year	<u>\$ 5,683,002,000</u>	<u>2,322,130,000</u>	<u>—</u>	<u>8,005,132,000</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	<u>University</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 2,074,066,000
Federal grants and contracts	64,120,000
State grants and contracts	13,858,000
Local grants and contracts	6,335,000
Nongovernmental grants and contracts	8,488,000
Payments to suppliers	(1,101,879,000)
Payments to employees	(3,782,920,000)
Payments to students	(828,699,000)
Collections of student loans	3,643,000
Sales and services of educational activities	32,670,000
Sales and services of auxiliary enterprises	387,550,000
Other receipts	180,402,000
	<hr/>
Net cash used in operating activities	(2,942,366,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	2,063,387,000
Federal financial aid grants	808,400,000
State financial aid grants	436,751,000
Nongovernmental and other financial aid grants	30,866,000
Other federal nonoperating grants	3,326,000
Gifts and grants received for other than capital purposes	46,218,000
Federal loan program receipts	1,358,861,000
Federal loan program disbursements	(1,359,283,000)
Monies received on behalf of others	122,212,000
Monies disbursed on behalf of others	(117,187,000)
Other noncapital financing activities	83,623,000
	<hr/>
Net cash provided by noncapital financing activities	3,477,174,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	577,152,000
State appropriations	109,162,000
Capital grants and gifts	17,398,000
Proceeds from sale of capital assets	236,000
Acquisition of capital assets	(469,878,000)
Issuance of notes receivable	(55,950,000)
Transfers to escrow agent	(327,827,000)
Principal paid on capital debt and leases	(188,900,000)
Interest paid on capital debt and leases	(210,648,000)
Principal payments received on capital leases receivable	7,882,000
Interest payments received on capital leases receivable	14,719,000
Principal payments received on notes receivable	5,272,000
Interest payments received on notes receivable	14,313,000
	<hr/>
Net cash used in capital and related financing activities	(507,069,000)
	<hr/>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	<u>University</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 12,211,512,000
Purchases of investments	(12,283,345,000)
Investment income proceeds	43,148,000
	<hr/>
Net cash used in investing activities	(28,685,000)
	<hr/>
Net decrease in cash and cash equivalents	(946,000)
Cash and cash equivalents at beginning of year	9,321,000
	<hr/>
Cash and cash equivalents at end of year	\$ 8,375,000
	<hr/> <hr/>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 8,332,000
Restricted cash and cash equivalents	43,000
	<hr/>
Total cash and cash equivalents at end of year	\$ 8,375,000
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Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (3,410,660,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	435,530,000
Change in assets and liabilities:	
Accounts receivable, net	(2,289,000)
Student loans receivable, net	198,000
Prepaid expenses and other assets	(18,344,000)
Accounts payable	3,991,000
Accrued salaries and benefits	5,505,000
Accrued compensated absences	1,217,000
Unearned revenue	(16,202,000)
Depository accounts	762,000
Other postemployment benefits obligation	46,431,000
Other liabilities	11,495,000
	<hr/>
Net cash used in operating activities	\$ (2,942,366,000)
	<hr/> <hr/>
Supplemental schedule of noncash transactions:	
Reclassification to capitalized lease obligations and related prepaid interest and construction reserves	\$ 182,466,000
Contributed capital assets	19,015,000
Amortization of prepaid interest related to SPWB capital lease obligation	18,926,000
Amortization of loss on debt refundings	10,594,000
Change in accrued capital asset purchases	4,665,000
Other miscellaneous noncash transactions related to discretely presented component units and capital assets	3,470,000
SPWB program appropriation for construction reserve funds	2,225,000
Acquisition of capital assets through capital lease	1,390,000
Operating expenses paid through long-term debt	1,789,000
Gifts in kind	502,000
Amortization of bond premium and discount	(9,800,000)

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

(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, 2013:

- 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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

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 position, statement of revenues, expenses, and changes in net position, 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 discretely presented component units which are primarily University-related recognized auxiliary organizations. There are four discretely presented component units that are not auxiliary organizations (identified by asterisk (*) below). These discretely presented component units 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 position comprises approximately 78% 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 discretely presented component units and may be obtained from the individual campuses.

The recognized discretely presented component units 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 Risk Management Authority*
- California State University, Channel Islands Foundation
- Associated Students of California State University, Channel Islands, Inc.
- CSUCI Financing Authority*

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

- 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
- California State University, Long Beach 49er Foundation

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

- 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 at 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, Inc. 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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

- Aztec Shops, Ltd. (San Diego)
- The University Corporation, San Francisco State
- Associated Students of San Francisco State University
- San Francisco State University Student Center
- San Francisco State University Foundation
- Associated Students of San Jose State University
- The Student Union of San Jose State University
- The Tower Foundation of San Jose State University
- San Jose State University Research Foundation
- Spartan Shops, Inc. (San Jose)
- California Polytechnic State University Foundation (San Luis Obispo)
- Cal Poly Corporation (San Luis Obispo)
- Associated Students, Inc., California Polytechnic State University, San Luis Obispo
- University Auxiliary and Research Services Corporation (San Marcos)
- Associated Students, Inc. of California State University, San Marcos
- San Marcos University Corporation
- California State University San Marcos Foundation
- Sonoma State University Academic Foundation, Inc.
- Associated Students of Sonoma State University
- Sonoma State Enterprises, Inc.
- California State University, Stanislaus Foundation
- Associated Students Incorporated of California State University, Stanislaus
- University Student Union of California State University, Stanislaus
- California State University, Stanislaus Auxiliary and Business Services

These component units 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. These organizations are discretely presented to allow the financial statement users to distinguish between the University and the component units. None of the component units are considered individually significant to the total discretely presented component units.

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Notes to Financial Statements

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All significant nonexchange transactions have been eliminated.

The accompanying financial statements also include the Stockton Center Site Authority, Fullerton Arboretum, and California State Student Association, which are included as blended component units. These organizations primarily provide services to the University in the areas of 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 component units, as discussed above. The effect of internal activity between funds or groups of funds has been eliminated from these financial statements.

(c) Implementation of New Accounting Pronouncements

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, effective for the University's fiscal year beginning July 1, 2012. This Statement requires the University to report the activities for certain public-private partnerships as service concession arrangements in the financial statements. Service concession arrangements are recorded when the arrangements meet certain criteria which include building and operating a facility, obtaining the right to collect fees from third parties, and transferring ownership of the facility to the University at the end of the arrangement. Implementation of Statement No. 60 had no effect on the University's net position or changes in net position for the year ended June 30, 2013.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, effective for the University's fiscal year beginning July 1, 2012. This Statement modifies the existing requirements for the assessment of component units that should be included in the financial statements of the University. The effect of the changes from the implementation of Statement No. 61 on the University's financial statements for the year ended June 30, 2013 was as follows:

Net position as of June 30, 2012, as previously reported	\$ 5,818,777,000
Change in reporting for CSU Risk Management Authority – Changing from a blended component unit to a discretely presented component unit	<u>(58,358,000)</u>
Net position at beginning of year, as restated	<u>\$ 5,760,419,000</u>

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The beginning net position of the University has been restated primarily due to California State University Risk Management Authority (CSURMA), previously reported as a blended component unit, now being reported as a discretely presented component unit in accordance with GASB Statement No. 61.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for the University's fiscal year beginning July 1, 2012. The objective of this statement is to incorporate into the GASBs authoritative literature certain accounting and financial reporting guidance that was previously included within the Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for the University's fiscal year beginning July 1, 2012. This Statement modifies the presentation of the deferred inflows and deferred outflows in the financial statements. The effect of the changes from the implementation of Statement No. 63 on the University's financial statements was the presentation of deferred outflows and inflows or resources in the statement of net position.

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*, effective for the University's fiscal year beginning July 1, 2012. This Statement clarifies the existing requirements for the termination of hedge accounting. Implementation of Statement No. 64 had no effect on the University's net position or changes in net position for the year ended June 30, 2013.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for the University's fiscal year beginning July 1, 2013; however, the University early adopted this Statement effective for the fiscal year beginning July 1, 2012. This Statement reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of Statement No. 65 resulted to the (a) recognition of unamortized loss on debt refundings previously reported net of long-term debt obligations as deferred outflows of resources and (b) bond-issuance costs, except any portion related to prepaid insurance costs, being recognized as expense in the period incurred.

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(d) Discretely Presented Component Units Restatements

The beginning net position of the discretely presented component units has been restated primarily due to the implementation of GASB Statements No. 61 (refer to note 2(c)) and No. 65. A summary of the restatements to net position at the beginning of the year related to the discretely presented component units is as follows:

Net position as of June 30, 2012, as previously reported	\$ 2,050,840,000
Adjustment for implementation of GASB Statement No. 61	58,358,000
Adjustment for implementation of GASB Statement No. 65	(7,816,000)
Adjustment for overstatement of OPEB	1,156,000
Adjustment for overstatement of notes receivable	(754,000)
Adjustment for overstatement of unearned revenue	(100,000)
Net position at beginning of year, as restated	<u>\$ 2,101,684,000</u>

(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 position 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 position 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 Consolidated Investment Pool to be investments. The statement of cash flows does not include the cash flows of the discretely presented component units.

(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 position 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

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guidelines, historical losses adjusted to take into account current market conditions, the amount of receivables in dispute, 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 in 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 position rather than being allocated among other categories of operating expenses.

(j) Unearned Revenue

Unearned 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, 2013 to calculate the liability for accrued compensated absences. The University employee's 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 return those contributions 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 position.

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(m) Claims Liability for Losses and Loss Adjustment Expenses

The claims liability for losses and loss adjustment expenses included in the aggregate discretely presented component units column of the financial statements includes CSURMA's estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2013. 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 reinsurance that is 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 its 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 Position

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

- Net Investment in Capital Assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources.
- Restricted:
 - Nonexpendable: Net position subject to externally imposed conditions that the University retains in perpetuity. Net position in this category consists of endowments held by the University or its related auxiliaries.
 - Expendable: Net position 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 position. In addition, unrestricted net position 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 position may be made and require that unrestricted net position be designated to support future operations in these areas. University housing programs are a primary example of operations that have unrestricted net position with designated uses.

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(o) *Classification of Revenues and Expenses*

The University considers operating revenues and expenses in the statement of revenues, expenses, and changes in net position 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) *Other Postemployment Benefits*

The University's other postemployment benefit obligation included in the accompanying financial statements reflects the University's estimated funding liability of the State administered and sponsored plan as of the fiscal year ended. The State's actuary has employed methods and assumptions considered reasonable and appropriate given the information currently available. Given the inherent uncertainty in the nature of such estimates, future amounts may deviate from those estimates.

(q) *Grant Revenue and Expenses*

The University records grant revenue when all applicable grant eligibility requirements are met. Expenses are recorded as expenditures are incurred. Expenditure-driven grant revenue is recorded after the expenditures are incurred, in amounts equal to the expenditures.

(r) *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.

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(s) ***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.

(t) ***Eliminations***

All significant nonexchange transactions between the University and the discretely presented component units 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 position.

(u) ***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, 2013 are classified in the accompanying statement of net position as follows:

Cash and cash equivalents	\$ 8,332,000
Restricted cash and cash equivalents	43,000
Total cash and cash equivalents	<u>8,375,000</u>
Short-term investments	2,626,675,000
Endowment investments	20,657,000
Other long-term investments	<u>397,072,000</u>
Total investments	<u>3,044,404,000</u>
Total cash, cash equivalents, and investments	<u>\$ 3,052,779,000</u>

(a) ***Cash and Cash Equivalents***

At June 30, 2013, 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 \$8,375,000 had a corresponding carrying balance with the State Treasury and commercial banks of \$24,739,000 at June 30, 2013. The difference was primarily related to deposits in transit and outstanding checks.

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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, 2013, 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, 2013 is presented in the table on the following page.

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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, 2013:

Investment type	Fair value	Weighted average maturity (in years)	Rating as of year-end			
			AAA	AA	A	Not rated
Money market	\$ 44,846,000	0.08	\$ 7,755,000	—	32,000,000	5,091,000
Repurchase agreements	21,887,000	0.00	—	—	21,693,000	194,000
Certificates of deposit	259,655,000	0.38	—	8,276,000	251,379,000	—
Commercial paper	24,317,000	0.20	—	—	24,317,000	—
U.S. agency securities	777,803,000	1.69	—	777,803,000	—	—
State of California						
Local Agency						
Investment Fund	6,000	0.76	—	—	—	6,000
State of California						
Surplus Money						
Investment Fund	524,704,000	0.76	—	—	—	524,704,000
Corporate and fixed						
income securities	837,379,000	2.23	120,228,000	204,668,000	512,483,000	—
U.S. Treasury securities	511,834,000	1.61	—	—	—	511,834,000
Municipal securities	38,517,000	1.60	—	29,985,000	8,532,000	—
Mortgage-backed securities	3,456,000	8.03	—	3,456,000	—	—
Total	\$ 3,044,404,000		\$ 127,983,000	1,024,188,000	850,404,000	1,041,829,000

By law, the SMIF only invests in: U.S. government securities, securities of federally-sponsored agencies, domestic corporate bonds, interest-bearing time deposits in California banks, savings and loan associations and credit unions, prime-rated commercial paper, repurchase and reverse repurchase agreements, security loans, banker's acceptances, negotiable certificates of deposit and loans to various bond funds.

Concentration of Credit Risk

The University's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2013, 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 National Mortgage Association notes (\$218,223,000 or 7.2%), Federal Home Loan Mortgage Corporation (\$199,935,000 or 6.6%), Federal Home Loan Banks Office of Finance (\$192,634,000 or 6.3%), and Federal Farm Credit Banks Consolidated Systemwide Bonds (\$159,879,000 or 5.3%).

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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 position.

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.

Custodial Credit Risk for Investments

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned. Substantially all of the University's securities are registered in the University's name by the custodial bank as an agent for the University. As a result, custodial credit risk for such investments is remote.

Discretely Presented Component Units' Investments

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2013:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
State of California Local Agency			
Investment Fund	\$ 162,270,000	9,178,000	171,448,000
U.S. Bank SWIFT pool	67,516,000	1,484,000	69,000,000
Common Fund	1,344,000	11,650,000	12,994,000
Debt securities	9,257,000	150,810,000	160,067,000
Equity securities	54,436,000	320,681,000	375,117,000
Fixed income securities	20,552,000	247,410,000	267,962,000
Real estate	1,161,000	36,292,000	37,453,000
Certificates of deposit	24,819,000	11,665,000	36,484,000
Notes receivable	—	7,158,000	7,158,000
Money market funds	56,224,000	11,664,000	67,888,000
Mutual funds	143,915,000	567,884,000	711,799,000
Partnership interests	5,563,000	9,487,000	15,050,000
Alternative investments	—	53,429,000	53,429,000
Hedge funds	834,000	17,936,000	18,770,000
Other	5,583,000	71,986,000	77,569,000
	<u>\$ 553,474,000</u>	<u>1,528,714,000</u>	<u>2,082,188,000</u>
Total			

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

Approximately \$3.8 million of the investments reported by the University in the statement of net position at June 30, 2013 are invested under contractual agreements on behalf of the discretely presented component units of the University.

(4) Accounts Receivable

Accounts receivable of the University at June 30, 2013 consisted of the following:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
State appropriations	\$ 5,163,000	356,780,000	361,943,000
Auxiliary organizations	34,630,000	3,221,000	37,851,000
Student accounts	59,334,000	—	59,334,000
Government grants and contracts	27,883,000	—	27,883,000
Other	46,973,000	2,253,000	49,226,000
	<u>173,983,000</u>	<u>362,254,000</u>	<u>536,237,000</u>
Less allowance for doubtful accounts	<u>(22,286,000)</u>	<u>—</u>	<u>(22,286,000)</u>
Total	<u>\$ 151,697,000</u>	<u>362,254,000</u>	<u>513,951,000</u>

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(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:	
2014	\$ 29,402,000
2015	29,369,000
2016	26,753,000
2017	27,040,000
2018	27,122,000
2019 – 2023	141,276,000
2024 – 2028	148,792,000
2029 – 2033	131,503,000
2034 – 2038	42,746,000
2039 – 2043	23,190,000
2044 – 2048	8,986,000
Total minimum lease payments to be received	636,179,000
Less amounts representing interest	<u>(253,826,000)</u>
Present value of future minimum lease payments to be received	382,353,000
Less current portion	<u>(10,992,000)</u>
Long-term lease receivable, net of current portion	<u>\$ 371,361,000</u>

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June 30, 2013

(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:

Fiscal year ending:	
2014	\$ 23,668,000
2015	19,172,000
2016	32,542,000
2017	19,074,000
2018	19,105,000
2019 – 2023	104,920,000
2024 – 2028	88,289,000
2029 – 2033	80,929,000
2034 – 2038	49,040,000
2039 – 2043	7,707,000
2044 – 2048	1,124,000
2049 – 2053	1,124,000
	<hr/>
Total minimum note payments to be received	446,694,000
Less amounts representing interest	<hr/> (169,007,000)
Present value of future minimum note payments to be received	277,687,000
Less current portion	<hr/> (11,453,000)
Long-term notes receivable, net of current portion	<hr/> <hr/> \$ 266,234,000

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(7) Capital Assets

Capital assets activity for the University for the year ended June 30, 2013 consisted of the following:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending balance</u>
Nondepreciable/nonamortizable capital assets:					
Land and land improvements	\$ 256,993,000	13,000	(30,000)	—	256,976,000
Works of art and historical treasures	25,423,000	3,302,000	(28,000)	—	28,697,000
Construction work in progress	412,386,000	385,658,000	(1,483,000)	(242,584,000)	553,977,000
Intangible assets	<u>1,361,000</u>	<u>5,746,000</u>	<u>(46,000)</u>	<u>(370,000)</u>	<u>6,691,000</u>
Total nondepreciable/ nonamortizable capital assets	<u>696,163,000</u>	<u>394,719,000</u>	<u>(1,587,000)</u>	<u>(242,954,000)</u>	<u>846,341,000</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	9,881,029,000	38,377,000	(14,256,000)	165,089,000	10,070,239,000
Improvements other than buildings	503,556,000	11,030,000	(1,829,000)	34,246,000	547,003,000
Infrastructure	923,991,000	12,858,000	(2,874,000)	40,666,000	974,641,000
Personal property:					
Equipment	708,310,000	44,190,000	(42,485,000)	2,180,000	712,195,000
Library books and materials	385,618,000	5,859,000	(3,639,000)	—	387,838,000
Intangible assets	<u>309,745,000</u>	<u>3,902,000</u>	<u>(1,966,000)</u>	<u>773,000</u>	<u>312,454,000</u>
Total depreciable/ amortizable capital assets	<u>12,712,249,000</u>	<u>116,216,000</u>	<u>(67,049,000)</u>	<u>242,954,000</u>	<u>13,004,370,000</u>
Total cost	<u>13,408,412,000</u>	<u>510,935,000</u>	<u>(68,636,000)</u>	<u>—</u>	<u>13,850,711,000</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(3,964,976,000)	(293,540,000)	12,134,000	—	(4,246,382,000)
Improvements other than buildings	(359,174,000)	(22,475,000)	841,000	—	(380,808,000)
Infrastructure	(339,731,000)	(49,769,000)	2,717,000	—	(386,783,000)
Personal property:					
Equipment	(500,162,000)	(47,338,000)	38,114,000	—	(509,386,000)
Library books and materials	(343,331,000)	(8,948,000)	3,637,000	—	(348,642,000)
Intangible assets	<u>(277,905,000)</u>	<u>(13,460,000)</u>	<u>1,771,000</u>	<u>—</u>	<u>(289,594,000)</u>
Total accumulated depreciation/ amortization	<u>(5,785,279,000)</u>	<u>(435,530,000)</u>	<u>59,214,000</u>	<u>—</u>	<u>(6,161,595,000)</u>
Net capital assets	\$ <u>7,623,133,000</u>	<u>75,405,000</u>	<u>(9,422,000)</u>	<u>—</u>	<u>7,689,116,000</u>

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June 30, 2013

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2013 consisted of the following:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending balance</u>
Nondepreciable/nonamortizable capital assets:					
Land and land improvements	\$ 94,887,000	13,641,000	(3,022,000)	165,000	105,671,000
Works of art and historical treasures	7,718,000	546,000	—	—	8,264,000
Construction work in progress	11,162,000	18,003,000	(7,067,000)	(8,021,000)	14,077,000
Intangible assets	<u>5,082,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,082,000</u>
Total nondepreciable/ nonamortizable capital assets	<u>118,849,000</u>	<u>32,190,000</u>	<u>(10,089,000)</u>	<u>(7,856,000)</u>	<u>133,094,000</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	745,284,000	32,395,000	(26,092,000)	2,751,000	754,338,000
Improvements other than buildings	109,130,000	3,711,000	(1,825,000)	3,435,000	114,451,000
Infrastructure	67,470,000	106,000	(1,000)	—	67,575,000
Personal property:					
Equipment	187,810,000	7,790,000	(9,614,000)	1,650,000	187,636,000
Library books and materials	—	3,018,000	—	—	3,018,000
Intangible assets	<u>10,609,000</u>	<u>664,000</u>	<u>(503,000)</u>	<u>20,000</u>	<u>10,790,000</u>
Total depreciable/ amortizable capital assets	<u>1,120,303,000</u>	<u>47,684,000</u>	<u>(38,035,000)</u>	<u>7,856,000</u>	<u>1,137,808,000</u>
Total cost	<u>1,239,152,000</u>	<u>79,874,000</u>	<u>(48,124,000)</u>	<u>—</u>	<u>1,270,902,000</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(229,629,000)	(25,946,000)	7,149,000	—	(248,426,000)
Improvements other than buildings	(52,315,000)	(5,254,000)	1,496,000	—	(56,073,000)
Infrastructure	(12,372,000)	(1,695,000)	—	—	(14,067,000)
Personal property:					
Equipment	(143,352,000)	(12,707,000)	8,313,000	—	(147,746,000)
Intangible assets	<u>(7,024,000)</u>	<u>(917,000)</u>	<u>186,000</u>	<u>—</u>	<u>(7,755,000)</u>
Total accumulated depreciation/ amortization	<u>(444,692,000)</u>	<u>(46,519,000)</u>	<u>17,144,000</u>	<u>—</u>	<u>(474,067,000)</u>
Net capital assets	\$ <u>794,460,000</u>	<u>33,355,000</u>	<u>(30,980,000)</u>	<u>—</u>	<u>796,835,000</u>

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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 State Public Works Board (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 the 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.

The University also enters into capital leases with financial institutions and via commercial paper issued by the California State University Institute (the Institute), a discretely presented component unit of the University.

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 \$734,771,000 at June 30, 2013. The leases bear interest at rates ranging from 1.79% to 19.00% 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, 2013 were \$23,990,000 of which \$12,696,000 was paid to related auxiliary organizations.

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Future minimum lease payments under capital and operating leases having remaining terms in excess of one year as of June 30, 2013 are as follows:

	<u>Capital leases</u>	<u>Operating leases</u>
Year ending June 30:		
2014	\$ 125,894,000	20,901,000
2015	124,283,000	14,521,000
2016	123,869,000	12,820,000
2017	117,377,000	11,835,000
2018	115,565,000	10,363,000
2019 – 2023	404,010,000	35,222,000
2024 – 2028	325,350,000	13,979,000
2029 – 2033	305,351,000	11,477,000
2034 – 2038	132,876,000	2,962,000
2039 – 2043	7,567,000	1,466,000
2044 – 2048	—	397,000
2049 – 2053	—	251,000
2054 – 2058	—	33,000
2059 – 2063	—	33,000
2064 – 2068	—	32,000
2069 – 2073	—	33,000
2074 – 2078	—	32,000
2079 – 2083	—	33,000
2084 – 2088	—	32,000
2089 – 2093	—	33,000
2094 – 2098	—	32,000
2099	—	3,000
	<u>1,782,142,000</u>	<u>\$ 136,490,000</u>
Total minimum lease payments		
Less amount representing interest	<u>(660,716,000)</u>	
Present value of future minimum lease payments	1,121,426,000	
Unamortized net premium	<u>24,212,000</u>	
Total capital lease obligation	1,145,638,000	
Less current portion	<u>(68,364,000)</u>	
Capital lease obligation, net of current portion	<u>\$ 1,077,274,000</u>	

(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

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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 \$2,632,154,000 as of June 30, 2013.

(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 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 \$3,604,708,000 at June 30, 2013.

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 \$4,006,698,000 in Systemwide Revenue Bonds issued through fiscal year 2013.

(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 Institute 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, 2013 were 0.19% and 0.15%, respectively. Amounts outstanding of the total University and discretely presented component units under the BANs totaled \$27,055,000 and \$10,316,000, respectively, at June 30, 2013. The not-to-exceed amounts related to the outstanding amounts totaled \$261,365,000 of which \$126,859,000 has not been issued and \$97,135,000 has been issued and paid back.

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Long-term debt obligations of the University as of June 30, 2013 consisted of the following:

<u>Description</u>	<u>Interest rate percentage</u>	<u>Final maturity date</u>	<u>Original issue amount</u>	<u>Amount outstanding</u>
Systemwide Revenue Bonds, Housing Series J – Y	3.00	2013/14 – 2021/22	\$ 18,913,000	6,498,000
Systemwide Revenue Bonds, Series 2004A	3.30 – 5.25	2013/14 – 2026/27	158,010,000	40,010,000
Systemwide Revenue Bonds, Series 2005A	3.63 – 5.00	2013/14 – 2037/38	667,105,000	583,935,000
Systemwide Revenue Bonds, Series 2005B	5.00	2015/16 – 2021/22	134,805,000	70,300,000
Systemwide Revenue Bonds, Series 2005C	4.00 – 5.25	2017/18 – 2038/39	540,900,000	499,195,000
Systemwide Revenue Bonds, Series 2007A	4.00 – 5.00	2024/25 – 2044/45	254,770,000	243,000,000
Systemwide Revenue Bonds, Series 2007B	5.27 – 5.55	2027/28 – 2037/38	13,165,000	11,715,000
Systemwide Revenue Bonds, Series 2007C	5.00	2020/21 – 2028/29	63,275,000	53,210,000
Systemwide Revenue Bonds, Series 2007D	4.00 – 5.00	2037/38	80,360,000	74,455,000
Systemwide Revenue Bonds, Series 2008A	3.50 – 5.00	2022/23 – 2039/40	375,160,000	350,475,000
Systemwide Revenue Bonds, Series 2009A	3.50 – 6.00	2015/16 – 2040/41	465,365,000	450,280,000
Systemwide Revenue Bonds, Series 2010A	3.00 – 5.00	2019/20 – 2031/32	146,950,000	134,555,000
Systemwide Revenue Bonds, Series 2010B	5.45 – 6.48	2035/36 – 2041/42	205,145,000	205,145,000
Systemwide Revenue Bonds, Series 2011A	0.55 – 5.25	2020/21 – 2042/43	429,855,000	429,015,000
Systemwide Revenue Bonds, Series 2012A	0.39 – 5.00	2021/22 – 2042/43	436,220,000	436,220,000
Systemwide Revenue Bonds, Series 2012B	2.79 – 4.17	2036/37	16,700,000	16,700,000
			<u>4,006,698,000</u>	<u>3,604,708,000</u>
Bond Anticipation Notes	Variable	2015/16 – 2019/20	28,760,000	27,055,000
Other	Variable	Various	<u>123,093,000</u>	<u>80,352,000</u>
Total			<u>\$ 4,158,551,000</u>	<u>3,712,115,000</u>

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<u>Description</u>	<u>Interest rate percentage</u>	<u>Final maturity date</u>	<u>Original issue amount</u>	<u>Amount outstanding</u>
Unamortized bond net premium				\$ 133,989,000
Total long-term debt				3,846,104,000
Less current portion				<u>(98,747,000)</u>
Long-term debt, net of current portion				<u>\$ 3,747,357,000</u>

Long-term debt principal and interest are payable and mature in the following fiscal years:

	<u>Principal</u>	<u>Interest</u>
2014	\$ 98,747,000	179,083,000
2015	107,968,000	175,298,000
2016	121,846,000	170,492,000
2017	114,958,000	165,081,000
2018	125,579,000	163,373,000
2019 – 2023	657,087,000	709,225,000
2024 – 2028	720,066,000	541,516,000
2029 – 2033	812,600,000	347,981,000
2034 – 2038	655,005,000	157,934,000
2039 – 2043	287,438,000	30,793,000
2044 – 2048	9,703,000	407,000
2049 – 2053	<u>1,118,000</u>	<u>6,000</u>
	<u>\$ 3,712,115,000</u>	<u>2,641,189,000</u>

Long-term debt obligations of the individual discretely presented component units 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

(a) Current Year Refundings

In August 2012, the University partially defeased certain (Series 2002A, 2003A, and 2004A) Systemwide Revenue Bonds by placing a portion of the proceeds from the issuance of the Systemwide Revenue Bonds Series 2012A refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. The proceeds from the Series 2012A 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 \$80,511,000 over the life of the bonds. The

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economic gain (difference between net present values of the debt service payments on the old debt and new debt) from these transactions was approximately \$52,685,000. 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, 2013 totaled \$352,500,000.

The accompanying financial statements include a total unamortized loss on the refundings of \$32,020,000. 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 bond issuance or the old bond issuance, whichever is shorter.

(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2013 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 202,812,000	132,954,000	(129,951,000)	205,815,000	116,287,000
Self-insurance claims liability (notes 2 and 13)	76,289,000	—	(76,289,000)	—	—
Capitalized lease obligations (note 8)	989,702,000	216,256,000	(60,320,000)	1,145,638,000	68,364,000
Long-term debt obligations (note 9):					
Systemwide revenue bonds	3,542,648,000	452,920,000	(390,860,000)	3,604,708,000	89,390,000
Bond anticipation notes	38,542,000	27,405,000	(38,892,000)	27,055,000	340,000
Other	75,908,000	29,563,000	(25,119,000)	80,352,000	9,017,000
	<u>3,657,098,000</u>	<u>509,888,000</u>	<u>(454,871,000)</u>	<u>3,712,115,000</u>	<u>98,747,000</u>
Unamortized bond premium	79,325,000	48,029,000	6,635,000	133,989,000	—
Unamortized loss on debt refundings	<u>(26,443,000)</u>	—	<u>26,443,000</u>	—	—
Total long-term debt obligations	<u>3,709,980,000</u>	<u>557,917,000</u>	<u>(421,793,000)</u>	<u>3,846,104,000</u>	<u>98,747,000</u>
Total long-term liabilities	<u>\$ 4,978,783,000</u>	<u>907,127,000</u>	<u>(688,353,000)</u>	<u>5,197,557,000</u>	<u>283,398,000</u>

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June 30, 2013

Long-term liabilities activity of the combined discretely presented component units of the University for the year ended June 30, 2013 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 17,277,000	10,660,000	(10,412,000)	17,525,000	14,001,000
Self-insurance claims liability	2,948,000	—	(2,948,000)	—	—
Claims liability for losses and loss adjustment expenses	—	88,157,000	—	88,157,000	28,928,000
Capitalized lease obligations	363,265,000	6,535,000	(7,014,000)	362,786,000	13,570,000
Long-term debt obligations:					
Revenue bonds	282,920,000	34,480,000	(123,455,000)	193,945,000	5,865,000
Commercial paper	92,581,000	352,072,000	(361,477,000)	83,176,000	20,006,000
Notes payable	48,250,000	12,565,000	(1,365,000)	59,450,000	1,910,000
Other	112,416,000	21,728,000	(3,022,000)	131,122,000	2,897,000
	<u>536,167,000</u>	<u>420,845,000</u>	<u>(489,319,000)</u>	<u>467,693,000</u>	<u>30,678,000</u>
Unamortized bond premium	8,010,000	4,208,000	(1,938,000)	10,280,000	—
Unamortized loss on debt refundings	<u>(4,664,000)</u>	<u>4,464,000</u>	<u>200,000</u>	<u>—</u>	<u>—</u>
Total long-term debt obligations	<u>539,513,000</u>	<u>429,517,000</u>	<u>(491,057,000)</u>	<u>477,973,000</u>	<u>30,678,000</u>
Total long-term liabilities	\$ <u>923,003,000</u>	<u>534,869,000</u>	<u>(511,431,000)</u>	<u>946,441,000</u>	<u>87,177,000</u>

For additional information regarding the long-term liabilities of the individual discretely presented component units 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 pension 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.

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Funding Policy

University personnel are required to contribute 5% of their annual earnings in excess of \$513 per month to CalPERS. Effective January 1, 2013 all new employees are required to contribute 6% of their annual earnings per month to CalPERS. The University is required to contribute at an actuarially determined rate; the current rate is approximately 21.2% 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:

2011	\$ 423,818,000
2012	411,926,000
2013	462,607,000

(b) Postretirement Healthcare Plan

In accordance with GASB pronouncements, the University is required to recognize the cost of other postemployment benefits (OPEB) 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.

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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 paying the cost of dental benefits for all University retirees using funds provided by the State through general fund appropriations. The University makes payments directly to Delta Dental for the retiree's monthly dental premiums. The University is paying 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 2013:

Annual required contribution (ARC):	
Billable accounts	\$ 35,602,000
Nonbillable accounts (dental only)	40,055,000
Total ARC	<u>75,657,000</u>
Contributions:	
Billable accounts	(13,175,000)
Nonbillable accounts (dental only)	(16,051,000)
Total contributions	<u>(29,226,000)</u>
Increase in net OPEB obligation (NOO)	46,431,000
NOO – beginning of year	<u>172,587,000</u>
NOO – end of year:	
Billable accounts	102,950,000
Nonbillable accounts (dental only)	116,068,000
Total NOO	<u>\$ 219,018,000</u>
Percentage of annual OPEB cost contributed during the year ended June 30, 2013	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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

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, 2012 actuarial valuation, the individual entry age normal cost method was used. The actuarial assumptions included a 4.50% investment rate of return, 4.5% discount rate and an annual State healthcare cost trend rate of actual increases for 2013 and 9.00% in 2014, 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 2013.

(13) Claims Liability for Losses and Loss Adjustment Expenses

The University and certain auxiliary organizations have established the CSURMA, a discretely presented 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 claims liability included in the discretely presented component unit column reflects the estimated ultimate cost of settling claims related to events that have occurred on or before June 30, 2013. 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, 2013.

(14) Commitments and Contingencies

The State is a defendant in multiple lawsuits involving University matters not covered by the CSURMA 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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

Authorized but unexpended expenditures for construction projects as of June 30, 2013 totaled \$213,819,000. 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 \$34,916,000 and \$25,743,000 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 55.50% and 13.77% 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 position, and to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2013, operating expenses by natural classification consisted of the following:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships</u>	<u>Supplies and other services</u>	<u>Depreciation and amortization</u>	<u>Total</u>
Functional classification:						
Instruction	\$ 1,391,670,000	568,922,000	—	172,694,000	—	2,133,286,000
Research	20,782,000	6,669,000	—	15,052,000	—	42,503,000
Public service	31,595,000	10,524,000	—	23,185,000	—	65,304,000
Academic support	312,663,000	137,925,000	—	150,616,000	—	601,204,000
Student services	327,966,000	148,605,000	—	176,570,000	—	653,141,000
Institutional support	327,452,000	147,659,000	—	165,308,000	—	640,419,000
Operation and maintenance of plant	178,138,000	99,011,000	—	251,627,000	—	528,776,000
Student grants and scholarships	—	—	826,933,000	—	—	826,933,000
Auxiliary enterprise expenses	66,461,000	49,946,000	—	164,905,000	—	281,312,000
Depreciation and amortization	—	—	—	—	435,530,000	435,530,000
Total	<u>\$ 2,656,727,000</u>	<u>1,169,261,000</u>	<u>826,933,000</u>	<u>1,119,957,000</u>	<u>435,530,000</u>	<u>6,208,408,000</u>

(16) Transactions with Related Entities

The University is an agency of the State and receives about 32.7% of total revenues through state appropriations. State appropriations allocated to the University aggregated approximately \$2.1 billion for the year ended June 30, 2013. State appropriations receivable aggregated \$361,943,000 at June 30, 2013.

(17) Subsequent Events

In July 2013, a BAN of approximately \$25 million was issued for the Student Health & Counseling Center at the San Jose campus. In August 2013, BANs of approximately \$19.2 million was issued for Student Housing at the Bakersfield campus. In September 2013, a BAN of \$10 million and \$24.8 million was issued for Student Housing Phase II at Northridge and Granada Apartment Acquisition at San Diego campuses, respectively.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2013

In August 2013, the University issued its Systemwide Revenue Bonds Series 2013A in the amount of \$308,855,000. Proceeds were used to refund certain maturities of Systemwide Revenue Bonds Series 2005A and 2005C, as well as refund outstanding bond indebtedness issued by an auxiliary organization.

Also in July 2013, Standard & Poor's Ratings Services upgraded the intrinsic rating for the Systemwide Revenue Bonds to AA- with a stable outlook.

**SUPPLEMENTARY SCHEDULES – UNIVERSITY
FINANCIAL INFORMATION**

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 5,000	3,107,000	3,112,000
Short-term investments		61,906,000	1,352,000	63,258,000
Accounts receivable, net		6,132,000	2,120,000	8,252,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	—	—
Pledges receivable, net		—	317,000	317,000
Prepaid expenses and other assets		165,000	35,000	200,000
Total current assets		68,208,000	6,931,000	75,139,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	—	—
Accounts receivable, net		21,834,000	—	21,834,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		1,527,000	—	1,527,000
Pledges receivable, net		—	455,000	455,000
Endowment investments		—	20,179,000	20,179,000
Other long-term investments		684,000	6,125,000	6,809,000
Capital assets, net		95,812,000	5,124,000	100,936,000
Other assets		29,000	—	29,000
Total noncurrent assets		119,886,000	31,883,000	151,769,000
Total assets		188,094,000	38,814,000	226,908,000
	Deferred Outflows of Resources			
Deferred outflows of resources		8,000	—	8,000
	Liabilities			
Current liabilities:				
Accounts payable		811,000	1,349,000	2,160,000
Accrued salaries and benefits payable		5,859,000	27,000	5,886,000
Accrued compensated absences, current portion		2,192,000	158,000	2,350,000
Unearned revenue		922,000	757,000	1,679,000
Capitalized lease obligations, current portion		1,120,000	—	1,120,000
Long-term debt obligations, current portion		547,000	28,000	575,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		196,000	—	196,000
Other liabilities		1,316,000	1,399,000	2,715,000
Total current liabilities		12,963,000	3,718,000	16,681,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		1,998,000	—	1,998,000
Unearned revenue		—	—	—
Grants refundable		1,810,000	—	1,810,000
Capitalized lease obligations, net of current portion		2,261,000	—	2,261,000
Long-term debt obligations, net of current portion		30,330,000	43,000	30,373,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		—	—	—
Other postemployment benefits obligation		1,570,000	2,261,000	3,831,000
Other liabilities		16,000	—	16,000
Total noncurrent liabilities		37,985,000	2,304,000	40,289,000
Total liabilities		50,948,000	6,022,000	56,970,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		70,417,000	5,052,000	75,469,000
Restricted for:				
Nonexpendable – endowments		—	16,212,000	16,212,000
Expendable:				
Scholarships and fellowships		158,000	5,505,000	5,663,000
Research		—	—	—
Loans		353,000	—	353,000
Capital projects		17,661,000	—	17,661,000
Debt service		236,000	—	236,000
Other		36,000	949,000	985,000
Unrestricted		48,293,000	5,074,000	53,367,000
Total net position		\$ 137,154,000	32,792,000	169,946,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$30,806,000)	\$ 24,070,000	4,831,000	(1,994,000)	26,907,000
Grants and contracts, noncapital:				
Federal	5,260,000	6,889,000	—	12,149,000
State	191,000	16,000	—	207,000
Local	3,000	169,000	—	172,000
Nongovernmental	625,000	140,000	(341,000)	424,000
Sales and services of educational activities	512,000	—	—	512,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$571,000)	5,840,000	194,000	(400,000)	5,634,000
Other operating revenues	3,066,000	3,831,000	(192,000)	6,705,000
Total operating revenues	39,567,000	16,070,000	(2,927,000)	52,710,000
Expenses:				
Operating expenses:				
Instruction	37,996,000	39,000	—	38,035,000
Research	525,000	1,083,000	(146,000)	1,462,000
Public service	300,000	1,445,000	—	1,745,000
Academic support	14,414,000	2,116,000	—	16,530,000
Student services	17,304,000	8,028,000	(2,394,000)	22,938,000
Institutional support	10,655,000	3,822,000	(387,000)	14,090,000
Operation and maintenance of plant	9,229,000	177,000	—	9,406,000
Student grants and scholarships	18,417,000	2,082,000	—	20,499,000
Auxiliary enterprise expenses	3,655,000	—	—	3,655,000
Depreciation and amortization	7,373,000	298,000	—	7,671,000
Total operating expenses	119,868,000	19,090,000	(2,927,000)	136,031,000
Operating loss	(80,301,000)	(3,020,000)	—	(83,321,000)
Nonoperating revenues (expenses):				
State appropriations, noncapital	48,394,000	—	—	48,394,000
Federal financial aid grants, noncapital	21,101,000	—	—	21,101,000
State financial aid grants, noncapital	11,379,000	—	—	11,379,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	417,000	—	—	417,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	622,000	2,558,000	—	3,180,000
Investment income net	453,000	823,000	—	1,276,000
Endowment income	—	2,494,000	—	2,494,000
Interest expense	(1,373,000)	(3,000)	—	(1,376,000)
Other nonoperating revenues	2,116,000	—	—	2,116,000
Net nonoperating revenues	83,109,000	5,872,000	—	88,981,000
Income before other revenues and expenses	2,808,000	2,852,000	—	5,660,000
State appropriations, capital	17,442,000	—	—	17,442,000
Grants and gifts, capital	235,000	—	—	235,000
Additions to permanent endowments	—	1,629,000	—	1,629,000
Increase in net position	20,485,000	4,481,000	—	24,966,000
Net position:				
Net position at beginning of year, as previously reported	116,669,000	28,311,000	—	144,980,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	116,669,000	28,311,000	—	144,980,000
Net position at end of year	\$ 137,154,000	32,792,000	—	169,946,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 22,433,000
Federal grants and contracts	4,687,000
State grants and contracts	191,000
Local grants and contracts	3,000
Nongovernmental grants and contracts	625,000
Payments to suppliers	(19,218,000)
Payments to employees	(73,500,000)
Payments to students	(18,579,000)
Collections of student loans	292,000
Sales and services of educational activities	512,000
Sales and services of auxiliary enterprises	5,840,000
Other receipts	1,582,000
	<hr/>
Net cash used in operating activities	(75,132,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	48,394,000
Federal financial aid grants	21,101,000
State financial aid grants	11,379,000
Nongovernmental and other financial aid grants	417,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	622,000
Federal loan program receipts	32,234,000
Federal loan program disbursements	(32,235,000)
Monies received on behalf of others	2,744,000
Monies disbursed on behalf of others	(2,758,000)
Other noncapital financing activities	1,950,000
	<hr/>
Net cash provided by noncapital financing activities	83,848,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	1,025,000
State appropriations	323,000
Capital grants and gifts	148,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(3,532,000)
Issuance of notes receivable	—
Transfers to escrow agent	(1,021,000)
Principal paid on capital debt and leases	(1,598,000)
Interest paid on capital debt and leases	(1,227,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(5,882,000)
	<hr/>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 163,795,000
Purchases of investments	(167,505,000)
Investment income proceeds	1,000
	<hr/>
Net cash used in investing activities	(3,709,000)
	<hr/>
Net decrease in cash and cash equivalents	(875,000)
Cash and cash equivalents at beginning of year	880,000
	<hr/>
Cash and cash equivalents at end of year	\$ 5,000
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Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 5,000
Restricted cash and cash equivalents	—
	<hr/>
Total cash and cash equivalents at end of year	\$ 5,000
	<hr/> <hr/>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (80,301,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	7,373,000
Change in assets and liabilities:	
Accounts receivable, net	(3,748,000)
Student loans receivable, net	130,000
Prepaid expenses and other assets	5,000
Accounts payable	(96,000)
Accrued salaries and benefits	343,000
Accrued compensated absences	206,000
Unearned revenue	54,000
Depository accounts	—
Other postemployment benefits obligation	255,000
Other liabilities	647,000
	<hr/>
Net cash used in operating activities	\$ (75,132,000)
	<hr/> <hr/>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 29,000
Acquisition of capital assets through capital lease	75,000
Acquisition of capital assets through long-term debt obligations (other than capital lease)	3,820,000
Change in accrued capital asset purchases	(368,000)
Amortization of bond premium and discount	(143,000)
Amortization of loss on debt refundings	(1,000)
Capital assets paid by the Office of the Chancellor	58,000
Debt proceeds held by Fullerton for Student Housing	4,180,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,176,000
Payments from discretely presented component units for other than salaries	4,612,000
Accounts receivable from discretely presented component units	1,666,000
Other amounts payable to discretely presented component units	(312,000)
Payments to the Office of the Chancellor for administrative activities	84,000
Payments to the Office of the Chancellor for state pro rata charges	436,000
Accounts receivable from the Office of the Chancellor	151,000
Accounts receivable from campuses other than the Office of the Chancellor	4,180,000
State lottery appropriations received	932,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Position

June 30, 2013

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 39,000	7,934,000	7,973,000
Short-term investments	34,304,000	98,000	34,402,000
Accounts receivable, net	6,299,000	6,055,000	12,354,000
Leases receivable, current portion	1,060,000	—	1,060,000
Notes receivable, current portion	690,000	—	690,000
Pledges receivable, net	—	390,000	390,000
Prepaid expenses and other assets	1,469,000	79,000	1,548,000
Total current assets	43,861,000	14,556,000	58,417,000
Noncurrent assets:			
Restricted cash and cash equivalents	—	7,622,000	7,622,000
Accounts receivable, net	3,499,000	—	3,499,000
Leases receivable, net of current portion	136,585,000	—	136,585,000
Notes receivable, net of current portion	62,205,000	—	62,205,000
Student loans receivable, net	—	—	—
Pledges receivable, net	—	1,336,000	1,336,000
Endowment investments	—	6,511,000	6,511,000
Other long-term investments	737,000	6,127,000	6,864,000
Capital assets, net	313,171,000	115,444,000	428,615,000
Other assets	3,980,000	4,953,000	8,933,000
Total noncurrent assets	520,177,000	141,993,000	662,170,000
Total assets	564,038,000	156,549,000	720,587,000
	Deferred Outflows of Resources		
Deferred outflows of resources	1,144,000	—	1,144,000
	Liabilities		
Current liabilities:			
Accounts payable	6,274,000	3,875,000	10,149,000
Accrued salaries and benefits payable	3,396,000	93,000	3,489,000
Accrued compensated absences, current portion	2,215,000	13,000	2,228,000
Unearned revenue	2,768,000	23,000	2,791,000
Capitalized lease obligations, current portion	1,941,000	1,060,000	3,001,000
Long-term debt obligations, current portion	3,248,000	709,000	3,957,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	5,402,000	5,016,000	10,418,000
Total current liabilities	25,244,000	10,789,000	36,033,000
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,507,000	130,000	1,637,000
Unearned revenue	—	—	—
Grants refundable	—	—	—
Capitalized lease obligations, net of current portion	8,806,000	136,736,000	145,542,000
Long-term debt obligations, net of current portion	269,011,000	67,307,000	336,318,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	53,000	53,000
Other postemployment benefits obligation	—	—	—
Other liabilities	—	593,000	593,000
Total noncurrent liabilities	279,324,000	204,819,000	484,143,000
Total liabilities	304,568,000	215,608,000	520,176,000
	Deferred Inflows of Resources		
Deferred inflows of resources	—	—	—
	Net Position		
Net position:			
Net investment in capital assets	171,935,000	(17,695,000)	154,240,000
Restricted for:			
Nonexpendable – endowments	—	6,511,000	6,511,000
Expendable:			
Scholarships and fellowships	8,000	1,046,000	1,054,000
Research	404,000	83,000	487,000
Loans	—	—	—
Capital projects	1,637,000	77,000	1,714,000
Debt service	27,000	42,000	69,000
Other	—	13,837,000	13,837,000
Unrestricted	86,603,000	(62,960,000)	23,643,000
Total net position	\$ 260,614,000	(59,059,000)	201,555,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$9,032,000)	\$ 24,364,000	884,000	—	25,248,000
Grants and contracts, noncapital:	2,986,000	—	—	2,986,000
Federal	744,000	—	—	744,000
State	61,000	—	—	61,000
Local	533,000	—	—	533,000
Nongovernmental	—	—	—	—
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,184,000)	9,780,000	—	—	9,780,000
Other operating revenues	1,632,000	28,770,000	—	30,402,000
Total operating revenues	<u>40,100,000</u>	<u>29,654,000</u>	<u>—</u>	<u>69,754,000</u>
Expenses:				
Operating expenses:				
Instruction	30,900,000	1,231,000	(121,000)	32,010,000
Research	1,298,000	3,000	—	1,301,000
Public service	17,000	2,430,000	—	2,447,000
Academic support	11,296,000	59,000	—	11,355,000
Student services	9,222,000	664,000	—	9,886,000
Institutional support	11,386,000	2,648,000	—	14,034,000
Operation and maintenance of plant	17,923,000	366,000	—	18,289,000
Student grants and scholarships	8,654,000	246,000	—	8,900,000
Auxiliary enterprise expenses	5,916,000	16,238,000	—	22,154,000
Depreciation and amortization	10,581,000	4,735,000	—	15,316,000
Total operating expenses	<u>107,193,000</u>	<u>28,620,000</u>	<u>(121,000)</u>	<u>135,692,000</u>
Operating income (loss)	<u>(67,093,000)</u>	<u>1,034,000</u>	<u>121,000</u>	<u>(65,938,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	53,337,000	—	—	53,337,000
Federal financial aid grants, noncapital	8,657,000	—	—	8,657,000
State financial aid grants, noncapital	4,249,000	—	—	4,249,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	69,000	—	69,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	60,000	1,471,000	(60,000)	1,471,000
Investment income net	294,000	1,191,000	—	1,485,000
Endowment income	—	—	—	—
Interest expense	(14,936,000)	(6,756,000)	—	(21,692,000)
Other nonoperating revenues	10,717,000	2,765,000	—	13,482,000
Net nonoperating revenues (expenses)	<u>62,378,000</u>	<u>(1,260,000)</u>	<u>(60,000)</u>	<u>61,058,000</u>
Loss before other revenues and expenses	<u>(4,715,000)</u>	<u>(226,000)</u>	<u>61,000</u>	<u>(4,880,000)</u>
State appropriations, capital	5,410,000	—	—	5,410,000
Grants and gifts, capital	135,000	—	(61,000)	74,000
Additions to permanent endowments	—	637,000	—	637,000
Increase in net position	<u>830,000</u>	<u>411,000</u>	<u>—</u>	<u>1,241,000</u>
Net position:				
Net position at beginning of year, as previously reported	259,784,000	(59,470,000)	—	200,314,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>259,784,000</u>	<u>(59,470,000)</u>	<u>—</u>	<u>200,314,000</u>
Net position at end of year	\$ <u>260,614,000</u>	<u>(59,059,000)</u>	<u>—</u>	<u>201,555,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 24,659,000
Federal grants and contracts	2,970,000
State grants and contracts	744,000
Local grants and contracts	61,000
Nongovernmental grants and contracts	533,000
Payments to suppliers	(18,693,000)
Payments to employees	(67,365,000)
Payments to students	(7,830,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	4,789,000
Other receipts	(120,000)
	(60,252,000)
Cash flows from noncapital financing activities:	
State appropriations	53,337,000
Federal financial aid grants	8,657,000
State financial aid grants	4,249,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	60,000
Federal loan program receipts	—
Federal loan program disbursements	—
Monies received on behalf of others	—
Monies disbursed on behalf of others	(488,000)
Other noncapital financing activities	779,000
	66,594,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	18,775,000
State appropriations	10,414,000
Capital grants and gifts	135,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(17,604,000)
Issuance of notes receivable	—
Transfers to escrow agent	(16,701,000)
Principal paid on capital debt and leases	(4,482,000)
Interest paid on capital debt and leases	(13,943,000)
Principal payments received on capital leases receivable	770,000
Interest payments received on capital leases receivable	6,761,000
Principal payments received on notes receivable	560,000
Interest payments received on notes receivable	5,529,000
	(9,786,000)

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 160,789,000
Purchases of investments	(157,306,000)
Investment income proceeds	(7,000)
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Net cash provided by investing activities	3,476,000
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Net increase in cash and cash equivalents	32,000
Cash and cash equivalents at beginning of year	7,000
	<hr/>
Cash and cash equivalents at end of year	\$ 39,000
	<hr/> <hr/>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 39,000
Restricted cash and cash equivalents	—
	<hr/>
Total cash and cash equivalents at end of year	\$ 39,000
	<hr/> <hr/>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (67,093,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	10,581,000
Change in assets and liabilities:	
Accounts receivable, net	1,108,000
Student loans receivable, net	—
Prepaid expenses and other assets	(4,967,000)
Accounts payable	1,431,000
Accrued salaries and benefits	624,000
Accrued compensated absences	232,000
Unearned revenue	(3,589,000)
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	1,421,000
	<hr/>
Net cash used in operating activities	\$ (60,252,000)
	<hr/> <hr/>
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ (3,777,000)
Amortization of bond premium and discount	(724,000)
Amortization of loss on debt refundings	(45,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 773,000
Payments from discretely presented component units for other than salaries	15,141,000
Payments to discretely presented component units for services, space, and programs	9,109,000
Gifts in kind from discretely presented component units	60,000
Gifts (cash or assets) from discretely presented component units	61,000
Accounts receivable from discretely presented component units	2,667,000
Other amounts payable to discretely presented component units	(2,417,000)
Payments to the Office of the Chancellor for administrative activities	116,000
Payments to the Office of the Chancellor for state pro rata charges	100,000
Accounts receivable from the Office of the Chancellor	24,000
State lottery appropriations received	238,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Net Position

June 30, 2013

Assets	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 74,000	1,672,000	1,746,000
Short-term investments	109,003,000	27,130,000	136,133,000
Accounts receivable, net	2,882,000	9,883,000	12,765,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	2,000	2,000
Pledges receivable, net	—	—	—
Prepaid expenses and other assets	1,464,000	2,004,000	3,468,000
Total current assets	<u>113,423,000</u>	<u>40,691,000</u>	<u>154,114,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	195,000	195,000
Accounts receivable, net	163,000	—	163,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	122,000	122,000
Student loans receivable, net	5,091,000	544,000	5,635,000
Pledges receivable, net	—	3,108,000	3,108,000
Endowment investments	—	35,625,000	35,625,000
Other long-term investments	9,957,000	21,704,000	31,661,000
Capital assets, net	277,311,000	17,239,000	294,550,000
Other assets	—	1,084,000	1,084,000
Total noncurrent assets	<u>292,522,000</u>	<u>79,621,000</u>	<u>372,143,000</u>
Total assets	<u>405,945,000</u>	<u>120,312,000</u>	<u>526,257,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>462,000</u>	<u>—</u>	<u>462,000</u>
Liabilities			
Current liabilities:			
Accounts payable	3,884,000	2,523,000	6,407,000
Accrued salaries and benefits payable	11,113,000	1,347,000	12,460,000
Accrued compensated absences, current portion	4,351,000	307,000	4,658,000
Unearned revenue	5,716,000	266,000	5,982,000
Capitalized lease obligations, current portion	18,000	—	18,000
Long-term debt obligations, current portion	3,555,000	680,000	4,235,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	138,000	—	138,000
Other liabilities	1,692,000	588,000	2,280,000
Total current liabilities	<u>30,467,000</u>	<u>5,711,000</u>	<u>36,178,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,543,000	101,000	2,644,000
Unearned revenue	51,000	3,372,000	3,423,000
Grants refundable	7,055,000	—	7,055,000
Capitalized lease obligations, net of current portion	39,000	—	39,000
Long-term debt obligations, net of current portion	148,629,000	4,160,000	152,789,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	544,000	144,000	688,000
Other postemployment benefits obligation	4,635,000	1,771,000	6,406,000
Other liabilities	—	558,000	558,000
Total noncurrent liabilities	<u>163,496,000</u>	<u>10,106,000</u>	<u>173,602,000</u>
Total liabilities	<u>193,963,000</u>	<u>15,817,000</u>	<u>209,780,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	125,533,000	12,732,000	138,265,000
Restricted for:			
Nonexpendable – endowments	—	35,625,000	35,625,000
Expendable:			
Scholarships and fellowships	—	14,666,000	14,666,000
Research	—	1,130,000	1,130,000
Loans	—	594,000	594,000
Capital projects	1,293,000	746,000	2,039,000
Debt service	—	—	—
Other	1,000	9,427,000	9,428,000
Unrestricted	85,617,000	29,575,000	115,192,000
Total net position	<u>\$ 212,444,000</u>	<u>104,495,000</u>	<u>316,939,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$44,272,000)	\$ 75,535,000	6,026,000	—	81,561,000
Grants and contracts, noncapital:				
Federal	—	22,092,000	—	22,092,000
State	9,000	3,661,000	—	3,670,000
Local	—	1,345,000	—	1,345,000
Nongovernmental	46,000	2,386,000	—	2,432,000
Sales and services of educational activities	257,000	3,208,000	—	3,465,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,215,000)	20,357,000	22,277,000	—	42,634,000
Other operating revenues	6,993,000	6,197,000	(117,000)	13,073,000
Total operating revenues	<u>103,197,000</u>	<u>67,192,000</u>	<u>(117,000)</u>	<u>170,272,000</u>
Expenses:				
Operating expenses:				
Instruction	79,890,000	4,035,000	—	83,925,000
Research	1,019,000	2,640,000	—	3,659,000
Public service	1,680,000	23,630,000	(80,000)	25,230,000
Academic support	22,553,000	5,956,000	(2,000)	28,507,000
Student services	21,079,000	5,189,000	(123,000)	26,145,000
Institutional support	20,199,000	6,088,000	(1,000)	26,286,000
Operation and maintenance of plant	20,376,000	2,504,000	—	22,880,000
Student grants and scholarships	27,347,000	1,523,000	(1,427,000)	27,443,000
Auxiliary enterprise expenses	18,221,000	18,963,000	(16,000)	37,168,000
Depreciation and amortization	14,393,000	1,628,000	—	16,021,000
Total operating expenses	<u>226,757,000</u>	<u>72,156,000</u>	<u>(1,649,000)</u>	<u>297,264,000</u>
Operating loss	<u>(123,560,000)</u>	<u>(4,964,000)</u>	<u>1,532,000</u>	<u>(126,992,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	79,462,000	—	—	79,462,000
Federal financial aid grants, noncapital	29,726,000	—	—	29,726,000
State financial aid grants, noncapital	13,824,000	—	—	13,824,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,661,000	—	(1,510,000)	151,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	99,000	3,618,000	(6,000)	3,711,000
Investment income net	1,003,000	1,123,000	—	2,126,000
Endowment income	—	4,032,000	—	4,032,000
Interest expense	(8,519,000)	(189,000)	—	(8,708,000)
Other nonoperating revenues	3,276,000	1,219,000	—	4,495,000
Net nonoperating revenues	<u>120,532,000</u>	<u>9,803,000</u>	<u>(1,516,000)</u>	<u>128,819,000</u>
Income (loss) before other revenues and expenses	<u>(3,028,000)</u>	<u>4,839,000</u>	<u>16,000</u>	<u>1,827,000</u>
State appropriations, capital	1,366,000	—	—	1,366,000
Grants and gifts, capital	118,000	584,000	(16,000)	686,000
Additions to permanent endowments	—	3,297,000	—	3,297,000
Increase (decrease) in net position	<u>(1,544,000)</u>	<u>8,720,000</u>	<u>—</u>	<u>7,176,000</u>
Net position:				
Net position at beginning of year, as previously reported	213,988,000	95,775,000	—	309,763,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>213,988,000</u>	<u>95,775,000</u>	<u>—</u>	<u>309,763,000</u>
Net position at end of year	<u>\$ 212,444,000</u>	<u>104,495,000</u>	<u>—</u>	<u>316,939,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 75,167,000
Federal grants and contracts	—
State grants and contracts	9,000
Local grants and contracts	—
Nongovernmental grants and contracts	41,000
Payments to suppliers	(38,518,000)
Payments to employees	(147,005,000)
Payments to students	(27,350,000)
Collections of student loans	—
Sales and services of educational activities	257,000
Sales and services of auxiliary enterprises	20,282,000
Other receipts	6,374,000
	<hr/>
Net cash used in operating activities	(110,743,000)
Cash flows from noncapital financing activities:	
State appropriations	79,461,000
Federal financial aid grants	29,726,000
State financial aid grants	13,463,000
Nongovernmental and other financial aid grants	1,661,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	6,000
Federal loan program receipts	55,385,000
Federal loan program disbursements	(55,228,000)
Monies received on behalf of others	7,989,000
Monies disbursed on behalf of others	(7,842,000)
Other noncapital financing activities	3,595,000
	<hr/>
Net cash provided by noncapital financing activities	128,216,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	1,896,000
Capital grants and gifts	18,000
Proceeds from sale of capital assets	14,000
Acquisition of capital assets	(14,649,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,195,000)
Interest paid on capital debt and leases	(7,583,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(23,499,000)

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 312,788,000
Purchases of investments	(307,788,000)
Investment income proceeds	1,091,000
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Net cash provided by investing activities	6,091,000
	<hr/>
Net increase in cash and cash equivalents	65,000
Cash and cash equivalents at beginning of year	9,000
	<hr/>
Cash and cash equivalents at end of year	\$ 74,000
	<hr/> <hr/>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 74,000
Restricted cash and cash equivalents	—
	<hr/>
Total cash and cash equivalents at end of year	\$ 74,000
	<hr/> <hr/>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (123,560,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,393,000
Change in assets and liabilities:	
Accounts receivable, net	(368,000)
Student loans receivable, net	—
Prepaid expenses and other assets	(2,000)
Accounts payable	(1,031,000)
Accrued salaries and benefits	(97,000)
Accrued compensated absences	(118,000)
Unearned revenue	(373,000)
Depository accounts	—
Other postemployment benefits obligation	821,000
Other liabilities	(408,000)
	<hr/>
Net cash used in operating activities	\$ (110,743,000)
	<hr/> <hr/>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 16,000
Acquisition of capital assets through capital lease	57,000
Change in accrued capital asset purchases	(2,115,000)
Gifts in kind	93,000
Amortization of bond premium and discount	(969,000)
Amortization of loss on debt refundings	(71,000)
Capital assets paid by the Office of the Chancellor	241,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,012,000
Payments from discretely presented component units for other than salaries	4,716,000
Payments to discretely presented component units for services, space, and programs	12,251,000
Gifts (cash or assets) from discretely presented component units	209,000
Accounts receivable from discretely presented component units	438,000
Accounts payable to discretely presented component units	(1,019,000)
Other amounts payable to discretely presented component units	(642,000)
Payments to the Office of the Chancellor for administrative activities	119,000
Payments to the Office of the Chancellor for state pro rata charges	553,000
Accounts receivable from the Office of the Chancellor	87,000
State lottery appropriations received	1,645,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 72,000	1,407,000	1,479,000
Short-term investments		72,268,000	5,095,000	77,363,000
Accounts receivable, net		6,356,000	1,965,000	8,321,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	—	—
Pledges receivable, net		—	419,000	419,000
Prepaid expenses and other assets		526,000	105,000	631,000
Total current assets		79,222,000	8,991,000	88,213,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	395,000	395,000
Accounts receivable, net		—	232,000	232,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		966,000	—	966,000
Pledges receivable, net		—	—	—
Endowment investments		—	11,771,000	11,771,000
Other long-term investments		532,000	6,305,000	6,837,000
Capital assets, net		162,151,000	717,000	162,868,000
Other assets		—	—	—
Total noncurrent assets		163,649,000	19,420,000	183,069,000
Total assets		242,871,000	28,411,000	271,282,000
	Deferred Outflows of Resources			
Deferred outflows of resources		175,000	—	175,000
	Liabilities			
Current liabilities:				
Accounts payable		2,366,000	1,752,000	4,118,000
Accrued salaries and benefits payable		6,742,000	154,000	6,896,000
Accrued compensated absences, current portion		2,623,000	190,000	2,813,000
Unearned revenue		5,872,000	98,000	5,970,000
Capitalized lease obligations, current portion		1,408,000	—	1,408,000
Long-term debt obligations, current portion		1,170,000	9,000	1,179,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		71,000	—	71,000
Other liabilities		1,229,000	30,000	1,259,000
Total current liabilities		21,481,000	2,233,000	23,714,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		2,953,000	22,000	2,975,000
Unearned revenue		—	—	—
Grants refundable		1,163,000	—	1,163,000
Capitalized lease obligations, net of current portion		1,886,000	—	1,886,000
Long-term debt obligations, net of current portion		26,930,000	211,000	27,141,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		—	502,000	502,000
Other postemployment benefits obligation		2,987,000	3,208,000	6,195,000
Other liabilities		—	—	—
Total noncurrent liabilities		35,919,000	3,943,000	39,862,000
Total liabilities		57,400,000	6,176,000	63,576,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		130,932,000	498,000	131,430,000
Restricted for:				
Nonexpendable – endowments		—	5,903,000	5,903,000
Expendable:				
Scholarships and fellowships		34,000	1,643,000	1,677,000
Research		—	—	—
Loans		51,000	—	51,000
Capital projects		—	1,000	1,000
Debt service		—	—	—
Other		415,000	1,346,000	1,761,000
Unrestricted		54,214,000	12,844,000	67,058,000
Total net position		\$ 185,646,000	22,235,000	207,881,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$31,490,000)	\$ 54,866,000	3,895,000	—	58,761,000
Grants and contracts, noncapital:				
Federal	128,000	11,472,000	—	11,600,000
State	—	2,534,000	—	2,534,000
Local	—	—	—	—
Nongovernmental	—	356,000	—	356,000
Sales and services of educational activities	376,000	143,000	—	519,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	6,495,000	4,319,000	—	10,814,000
Other operating revenues	3,834,000	130,000	—	3,964,000
Total operating revenues	<u>65,699,000</u>	<u>22,849,000</u>	<u>—</u>	<u>88,548,000</u>
Expenses:				
Operating expenses:				
Instruction	54,183,000	4,504,000	—	58,687,000
Research	—	4,307,000	—	4,307,000
Public service	67,000	—	—	67,000
Academic support	15,411,000	2,394,000	—	17,805,000
Student services	16,321,000	1,946,000	(183,000)	18,084,000
Institutional support	15,844,000	1,371,000	—	17,215,000
Operation and maintenance of plant	14,797,000	2,059,000	—	16,856,000
Student grants and scholarships	42,199,000	3,120,000	—	45,319,000
Auxiliary enterprise expenses	4,756,000	3,738,000	—	8,494,000
Depreciation and amortization	9,127,000	79,000	—	9,206,000
Total operating expenses	<u>172,705,000</u>	<u>23,518,000</u>	<u>(183,000)</u>	<u>196,040,000</u>
Operating loss	<u>(107,006,000)</u>	<u>(669,000)</u>	<u>183,000</u>	<u>(107,492,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	54,884,000	—	—	54,884,000
Federal financial aid grants, noncapital	31,117,000	—	—	31,117,000
State financial aid grants, noncapital	13,697,000	—	—	13,697,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	842,000	—	—	842,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	94,000	2,038,000	(94,000)	2,038,000
Investment income net	590,000	1,928,000	—	2,518,000
Endowment income	—	—	—	—
Interest expense	(1,546,000)	(11,000)	—	(1,557,000)
Other nonoperating revenues	2,638,000	—	—	2,638,000
Net nonoperating revenues	<u>102,316,000</u>	<u>3,955,000</u>	<u>(94,000)</u>	<u>106,177,000</u>
Income (loss) before other revenues and expenses	<u>(4,690,000)</u>	<u>3,286,000</u>	<u>89,000</u>	<u>(1,315,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	89,000	—	(89,000)	—
Additions to permanent endowments	—	46,000	—	46,000
Increase (decrease) in net position	<u>(4,601,000)</u>	<u>3,332,000</u>	<u>—</u>	<u>(1,269,000)</u>
Net position:				
Net position at beginning of year, as previously reported	190,247,000	18,903,000	—	209,150,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>190,247,000</u>	<u>18,903,000</u>	<u>—</u>	<u>209,150,000</u>
Net position at end of year	\$ <u>185,646,000</u>	<u>22,235,000</u>	<u>—</u>	<u>207,881,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 53,956,000
Federal grants and contracts	128,000
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(22,042,000)
Payments to employees	(97,900,000)
Payments to students	(42,451,000)
Collections of student loans	243,000
Sales and services of educational activities	376,000
Sales and services of auxiliary enterprises	6,600,000
Other receipts	3,589,000
	<hr/>
Net cash used in operating activities	(97,501,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	54,884,000
Federal financial aid grants	31,116,000
State financial aid grants	13,998,000
Nongovernmental and other financial aid grants	877,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	94,000
Federal loan program receipts	62,393,000
Federal loan program disbursements	(62,172,000)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Other noncapital financing activities	2,638,000
	<hr/>
Net cash provided by noncapital financing activities	103,828,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	571,000
Capital grants and gifts	89,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(3,066,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,472,000)
Interest paid on capital debt and leases	(1,364,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(6,242,000)
	<hr/>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 217,679,000
Purchases of investments	(218,360,000)
Investment income proceeds	666,000
Net cash used in investing activities	(15,000)
Net increase in cash and cash equivalents	70,000
Cash and cash equivalents at beginning of year	2,000
Cash and cash equivalents at end of year	\$ 72,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 72,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 72,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (107,006,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,127,000
Change in assets and liabilities:	
Accounts receivable, net	(338,000)
Student loans receivable, net	10,000
Prepaid expenses and other assets	(93,000)
Accounts payable	(688,000)
Accrued salaries and benefits	1,275,000
Accrued compensated absences	306,000
Unearned revenue	(729,000)
Depository accounts	—
Other postemployment benefits obligation	659,000
Other liabilities	(24,000)
Net cash used in operating activities	\$ (97,501,000)
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ 206,000
Amortization of bond premium and discount	(88,000)
Amortization of loss on debt refundings	175,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,602,000
Payments from discretely presented component units for other than salaries	2,215,000
Payments to discretely presented component units for services, space, and programs	293,000
Gifts in kind from discretely presented component units	46,000
Gifts (cash or assets) from discretely presented component units	187,000
Accounts receivable from discretely presented component units	1,065,000
Accounts payable to discretely presented component units	(129,000)
Payments to the Office of the Chancellor for administrative activities	121,000
Payments to the Office of the Chancellor for state pro rata charges	572,000
Accounts receivable from the Office of the Chancellor	595,000
State lottery appropriations received	1,653,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 18,000	1,532,000	1,550,000
Short-term investments		87,057,000	27,531,000	114,588,000
Accounts receivable, net		6,411,000	3,454,000	9,865,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	—	—
Pledges receivable, net		—	380,000	380,000
Prepaid expenses and other assets		1,675,000	413,000	2,088,000
Total current assets		95,161,000	33,310,000	128,471,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	404,000	404,000
Accounts receivable, net		8,321,000	—	8,321,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		3,402,000	—	3,402,000
Pledges receivable, net		—	1,220,000	1,220,000
Endowment investments		30,000	10,654,000	10,684,000
Other long-term investments		837,000	—	837,000
Capital assets, net		228,893,000	5,539,000	234,432,000
Other assets		—	369,000	369,000
Total noncurrent assets		241,483,000	18,186,000	259,669,000
Total assets		336,644,000	51,496,000	388,140,000
	Deferred Outflows of Resources			
Deferred outflows of resources		23,000	—	23,000
	Liabilities			
Current liabilities:				
Accounts payable		6,280,000	1,038,000	7,318,000
Accrued salaries and benefits payable		7,951,000	652,000	8,603,000
Accrued compensated absences, current portion		4,411,000	172,000	4,583,000
Unearned revenue		7,871,000	2,033,000	9,904,000
Capitalized lease obligations, current portion		302,000	—	302,000
Long-term debt obligations, current portion		3,250,000	205,000	3,455,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		62,000	5,830,000	5,892,000
Other liabilities		1,195,000	668,000	1,863,000
Total current liabilities		31,322,000	10,598,000	41,920,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		2,127,000	—	2,127,000
Unearned revenue		—	816,000	816,000
Grants refundable		4,224,000	—	4,224,000
Capitalized lease obligations, net of current portion		1,459,000	—	1,459,000
Long-term debt obligations, net of current portion		113,624,000	3,470,000	117,094,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		—	1,120,000	1,120,000
Other postemployment benefits obligation		2,012,000	1,893,000	3,905,000
Other liabilities		50,000	—	50,000
Total noncurrent liabilities		123,496,000	7,299,000	130,795,000
Total liabilities		154,818,000	17,897,000	172,715,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		110,280,000	1,864,000	112,144,000
Restricted for:				
Nonexpendable – endowments		—	10,654,000	10,654,000
Expendable:				
Scholarships and fellowships		558,000	965,000	1,523,000
Research		—	—	—
Loans		443,000	1,000	444,000
Capital projects		7,157,000	—	7,157,000
Debt service		—	—	—
Other		—	2,929,000	2,929,000
Unrestricted		63,411,000	17,186,000	80,597,000
Total net position		\$ 181,849,000	33,599,000	215,448,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$39,789,000)	\$ 88,375,000	3,697,000	—	92,072,000
Grants and contracts, noncapital:				
Federal	—	8,006,000	—	8,006,000
State	—	1,620,000	—	1,620,000
Local	146,000	—	—	146,000
Nongovernmental	—	3,275,000	—	3,275,000
Sales and services of educational activities	85,000	—	—	85,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,205,000)	9,410,000	1,423,000	—	10,833,000
Other operating revenues	7,154,000	342,000	(60,000)	7,436,000
Total operating revenues	<u>105,170,000</u>	<u>18,363,000</u>	<u>(60,000)</u>	<u>123,473,000</u>
Expenses:				
Operating expenses:				
Instruction	69,088,000	—	—	69,088,000
Research	294,000	12,397,000	—	12,691,000
Public service	166,000	—	—	166,000
Academic support	23,794,000	—	—	23,794,000
Student services	23,881,000	—	—	23,881,000
Institutional support	24,697,000	—	—	24,697,000
Operation and maintenance of plant	23,428,000	—	—	23,428,000
Student grants and scholarships	17,319,000	278,000	(118,000)	17,479,000
Auxiliary enterprise expenses	6,585,000	6,553,000	(1,858,000)	11,280,000
Depreciation and amortization	15,739,000	209,000	—	15,948,000
Total operating expenses	<u>204,991,000</u>	<u>19,437,000</u>	<u>(1,976,000)</u>	<u>222,452,000</u>
Operating loss	<u>(99,821,000)</u>	<u>(1,074,000)</u>	<u>1,916,000</u>	<u>(98,979,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	60,928,000	—	—	60,928,000
Federal financial aid grants, noncapital	25,089,000	—	—	25,089,000
State financial aid grants, noncapital	13,522,000	—	—	13,522,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	483,000	—	—	483,000
Gifts, noncapital	2,504,000	1,073,000	(1,875,000)	1,702,000
Investment income net	795,000	2,434,000	—	3,229,000
Endowment income	(2,000)	149,000	—	147,000
Interest expense	(6,682,000)	(396,000)	—	(7,078,000)
Other nonoperating revenues	2,924,000	633,000	—	3,557,000
Net nonoperating revenues	<u>99,561,000</u>	<u>3,893,000</u>	<u>(1,875,000)</u>	<u>101,579,000</u>
Income (loss) before other revenues and expenses	<u>(260,000)</u>	<u>2,819,000</u>	<u>41,000</u>	<u>2,600,000</u>
State appropriations, capital	13,868,000	—	—	13,868,000
Grants and gifts, capital	41,000	—	(41,000)	—
Additions (reduction) to permanent endowments	(382,000)	1,950,000	—	1,568,000
Increase in net position	<u>13,267,000</u>	<u>4,769,000</u>	<u>—</u>	<u>18,036,000</u>
Net position:				
Net position at beginning of year, as previously reported	168,582,000	28,830,000	—	197,412,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>168,582,000</u>	<u>28,830,000</u>	<u>—</u>	<u>197,412,000</u>
Net position at end of year	<u>\$ 181,849,000</u>	<u>33,599,000</u>	<u>—</u>	<u>215,448,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 88,600,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	169,000
Nongovernmental grants and contracts	—
Payments to suppliers	(41,129,000)
Payments to employees	(130,922,000)
Payments to students	(17,451,000)
Collections of student loans	126,000
Sales and services of educational activities	85,000
Sales and services of auxiliary enterprises	8,455,000
Other receipts	7,097,000
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Net cash used in operating activities	(84,970,000)
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Cash flows from noncapital financing activities:	
State appropriations	60,928,000
Federal financial aid grants	25,305,000
State financial aid grants	13,819,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	483,000
Gifts and grants received for other than capital purposes	2,122,000
Federal loan program receipts	64,064,000
Federal loan program disbursements	(63,902,000)
Monies received on behalf of others	773,000
Monies disbursed on behalf of others	(1,255,000)
Other noncapital financing activities	3,505,000
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Net cash provided by noncapital financing activities	105,842,000
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Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	5,603,000
Capital grants and gifts	—
Proceeds from sale of capital assets	16,000
Acquisition of capital assets	(5,023,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,549,000)
Interest paid on capital debt and leases	(5,993,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(8,946,000)
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CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 274,860,000
Purchases of investments	(287,671,000)
Investment income proceeds	886,000
Net cash used in investing activities	<u>(11,925,000)</u>
Net increase in cash and cash equivalents	1,000
Cash and cash equivalents at beginning of year	<u>17,000</u>
Cash and cash equivalents at end of year	\$ <u><u>18,000</u></u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 18,000
Restricted cash and cash equivalents	<u>—</u>
Total cash and cash equivalents at end of year	\$ <u><u>18,000</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (99,821,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,739,000
Change in assets and liabilities:	
Accounts receivable, net	(952,000)
Student loans receivable, net	2,000
Prepaid expenses and other assets	655,000
Accounts payable	(1,015,000)
Accrued salaries and benefits	(404,000)
Accrued compensated absences	(61,000)
Unearned revenue	294,000
Depository accounts	—
Other postemployment benefits obligation	560,000
Other liabilities	<u>33,000</u>
Net cash used in operating activities	\$ <u><u>(84,970,000)</u></u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 41,000
Acquisition of capital assets through capital lease	108,000
Change in accrued capital asset purchases	1,158,000
Amortization of bond premium and discount	(670,000)
Amortization of loss on debt refundings	10,000
Capital assets paid by the Office of the Chancellor	581,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,065,000
Payments from discretely presented component units for other than salaries	2,743,000
Payments to discretely presented component units for services, space, and programs	2,443,000
Gifts in kind from discretely presented component units	67,000
Gifts (cash or assets) from discretely presented component units	1,887,000
Accounts receivable from discretely presented component units	2,585,000
Accounts payable to discretely presented component units	(4,000)
Payments to the Office of the Chancellor for administrative activities	156,000
Payments to the Office of the Chancellor for state pro rata charges	506,000
Accounts receivable from the Office of the Chancellor	68,000
State lottery appropriations received	1,568,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 976,000	25,440,000	26,416,000
Short-term investments		93,955,000	57,819,000	151,774,000
Accounts receivable, net		9,469,000	25,117,000	34,586,000
Leases receivable, current portion		4,595,000	—	4,595,000
Notes receivable, current portion		—	—	—
Pledges receivable, net		—	7,001,000	7,001,000
Prepaid expenses and other assets		1,056,000	3,697,000	4,753,000
Total current assets		110,051,000	119,074,000	229,125,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	405,000	405,000
Accounts receivable, net		95,000	31,000	126,000
Leases receivable, net of current portion		60,840,000	—	60,840,000
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		3,472,000	122,000	3,594,000
Pledges receivable, net		—	23,481,000	23,481,000
Endowment investments		878,000	135,120,000	135,998,000
Other long-term investments		541,000	6,088,000	6,629,000
Capital assets, net		206,806,000	102,207,000	309,013,000
Other assets		—	3,809,000	3,809,000
Total noncurrent assets		272,632,000	271,263,000	543,895,000
Total assets		382,683,000	390,337,000	773,020,000
	Deferred Outflows of Resources			
Deferred outflows of resources		—	534,000	534,000
	Liabilities			
Current liabilities:				
Accounts payable		1,456,000	5,942,000	7,398,000
Accrued salaries and benefits payable		13,191,000	2,584,000	15,775,000
Accrued compensated absences, current portion		4,856,000	292,000	5,148,000
Unearned revenue		1,789,000	14,890,000	16,679,000
Capitalized lease obligations, current portion		425,000	7,995,000	8,420,000
Long-term debt obligations, current portion		5,531,000	443,000	5,974,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		4,000	167,000	171,000
Other liabilities		2,496,000	2,271,000	4,767,000
Total current liabilities		29,748,000	34,584,000	64,332,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		5,163,000	870,000	6,033,000
Unearned revenue		—	—	—
Grants refundable		4,079,000	—	4,079,000
Capitalized lease obligations, net of current portion		176,000	60,840,000	61,016,000
Long-term debt obligations, net of current portion		84,418,000	7,880,000	92,298,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		9,000	2,439,000	2,448,000
Other postemployment benefits obligation		1,563,000	259,000	1,822,000
Other liabilities		360,000	1,229,000	1,589,000
Total noncurrent liabilities		95,768,000	73,517,000	169,285,000
Total liabilities		125,516,000	108,101,000	233,617,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	1,044,000	1,044,000
	Net Position			
Net position:				
Net investment in capital assets		181,692,000	27,049,000	208,741,000
Restricted for:				
Nonexpendable – endowments		878,000	83,736,000	84,614,000
Expendable:				
Scholarships and fellowships		(23,000)	54,507,000	54,484,000
Research		—	—	—
Loans		423,000	1,193,000	1,616,000
Capital projects		70,000	—	70,000
Debt service		26,000	10,557,000	10,583,000
Other		11,000	48,029,000	48,040,000
Unrestricted		74,090,000	56,655,000	130,745,000
Total net position		\$ 257,167,000	281,726,000	538,893,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$74,010,000)	\$ 75,784,000	7,943,000	(4,104,000)	79,623,000
Grants and contracts, noncapital:				
Federal	97,000	24,512,000	—	24,609,000
State	—	6,033,000	—	6,033,000
Local	—	—	—	—
Nongovernmental	—	4,377,000	—	4,377,000
Sales and services of educational activities	69,000	—	—	69,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	3,898,000	53,492,000	(3,176,000)	54,214,000
Other operating revenues	9,161,000	6,222,000	(1,113,000)	14,270,000
Total operating revenues	<u>89,009,000</u>	<u>102,579,000</u>	<u>(8,393,000)</u>	<u>183,195,000</u>
Expenses:				
Operating expenses:				
Instruction	99,054,000	16,604,000	—	115,658,000
Research	1,458,000	5,786,000	—	7,244,000
Public service	2,513,000	14,532,000	—	17,045,000
Academic support	28,519,000	29,000	—	28,548,000
Student services	32,840,000	8,402,000	(18,439,000)	22,803,000
Institutional support	26,431,000	—	—	26,431,000
Operation and maintenance of plant	25,111,000	957,000	—	26,068,000
Student grants and scholarships	47,086,000	8,524,000	(2,886,000)	52,724,000
Auxiliary enterprise expenses	4,085,000	70,283,000	(2,262,000)	72,106,000
Depreciation and amortization	16,416,000	5,407,000	—	21,823,000
Total operating expenses	<u>283,513,000</u>	<u>130,524,000</u>	<u>(23,587,000)</u>	<u>390,450,000</u>
Operating loss	<u>(194,504,000)</u>	<u>(27,945,000)</u>	<u>15,194,000</u>	<u>(207,255,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	98,676,000	—	—	98,676,000
Federal financial aid grants, noncapital	51,470,000	—	—	51,470,000
State financial aid grants, noncapital	29,758,000	—	—	29,758,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	3,296,000	11,381,000	(7,235,000)	7,442,000
Investment income net	4,131,000	4,216,000	—	8,347,000
Endowment income	9,000	12,977,000	—	12,986,000
Interest expense	(4,471,000)	(283,000)	—	(4,754,000)
Other nonoperating revenues	3,920,000	2,268,000	(7,218,000)	(1,030,000)
Net nonoperating revenues	<u>186,789,000</u>	<u>30,559,000</u>	<u>(14,453,000)</u>	<u>202,895,000</u>
Income (loss) before other revenues and expenses	<u>(7,715,000)</u>	<u>2,614,000</u>	<u>741,000</u>	<u>(4,360,000)</u>
State appropriations, capital	285,000	—	—	285,000
Grants and gifts, capital	741,000	10,346,000	(741,000)	10,346,000
Additions to permanent endowments	—	3,386,000	—	3,386,000
Increase (decrease) in net position	<u>(6,689,000)</u>	<u>16,346,000</u>	<u>—</u>	<u>9,657,000</u>
Net position:				
Net position at beginning of year, as previously reported	263,856,000	265,802,000	—	529,658,000
Restatements	—	(422,000)	—	(422,000)
Net position at beginning of year, as restated	<u>263,856,000</u>	<u>265,380,000</u>	<u>—</u>	<u>529,236,000</u>
Net position at end of year	<u>\$ 257,167,000</u>	<u>281,726,000</u>	<u>—</u>	<u>538,893,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 75,978,000
Federal grants and contracts	97,000
State grants and contracts	13,000
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(46,075,000)
Payments to employees	(172,937,000)
Payments to students	(46,356,000)
Collections of student loans	—
Sales and services of educational activities	69,000
Sales and services of auxiliary enterprises	3,664,000
Other receipts	7,910,000
	<hr/>
Net cash used in operating activities	(177,637,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	98,676,000
Federal financial aid grants	50,985,000
State financial aid grants	29,758,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	3,296,000
Federal loan program receipts	67,067,000
Federal loan program disbursements	(68,229,000)
Monies received on behalf of others	400,000
Monies disbursed on behalf of others	(270,000)
Other noncapital financing activities	4,036,000
	<hr/>
Net cash provided by noncapital financing activities	185,719,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	25,000
State appropriations	446,000
Capital grants and gifts	—
Proceeds from sale of capital assets	41,000
Acquisition of capital assets	(7,453,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(5,479,000)
Interest paid on capital debt and leases	(4,430,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(16,850,000)
	<hr/>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 403,037,000
Purchases of investments	(397,487,000)
Investment income proceeds	4,181,000
Net cash provided by investing activities	9,731,000
Net increase in cash and cash equivalents	963,000
Cash and cash equivalents at beginning of year	13,000
Cash and cash equivalents at end of year	\$ 976,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 976,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 976,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (194,504,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,416,000
Change in assets and liabilities:	
Accounts receivable, net	(929,000)
Student loans receivable, net	—
Prepaid expenses and other assets	269,000
Accounts payable	(432,000)
Accrued salaries and benefits	(136,000)
Accrued compensated absences	413,000
Unearned revenue	193,000
Depository accounts	—
Other postemployment benefits obligation	323,000
Other liabilities	750,000
Net cash used in operating activities	\$ (177,637,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 741,000
Change in accrued capital asset purchases	428,000
Amortization of bond premium and discount	(75,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,097,000
Payments from discretely presented component units for other than salaries	1,783,000
Payments to discretely presented component units for services, space, and programs	4,027,000
Gifts (cash or assets) from discretely presented component units	1,089,000
Accounts receivable from discretely presented component units	5,754,000
Accounts payable to discretely presented component units	(124,000)
Payments to the Office of the Chancellor for administrative activities	137,000
Payments to the Office of the Chancellor for state pro rata charges	329,000
Accounts receivable from the Office of the Chancellor	318,000
State lottery appropriations received	2,167,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 1,674,000	18,720,000	20,394,000
Short-term investments		154,024,000	26,174,000	180,198,000
Accounts receivable, net		18,441,000	5,500,000	23,941,000
Leases receivable, current portion		115,000	845,000	960,000
Notes receivable, current portion		—	918,000	918,000
Pledges receivable, net		—	2,669,000	2,669,000
Prepaid expenses and other assets		3,721,000	4,113,000	7,834,000
Total current assets		<u>177,975,000</u>	<u>58,939,000</u>	<u>236,914,000</u>
Noncurrent assets:				
Restricted cash and cash equivalents		—	3,167,000	3,167,000
Accounts receivable, net		—	—	—
Leases receivable, net of current portion		5,770,000	25,405,000	31,175,000
Notes receivable, net of current portion		—	15,704,000	15,704,000
Student loans receivable, net		4,283,000	—	4,283,000
Pledges receivable, net		—	6,618,000	6,618,000
Endowment investments		—	40,386,000	40,386,000
Other long-term investments		19,333,000	6,066,000	25,399,000
Capital assets, net		571,255,000	36,684,000	607,939,000
Other assets		5,000,000	598,000	5,598,000
Total noncurrent assets		<u>605,641,000</u>	<u>134,628,000</u>	<u>740,269,000</u>
Total assets		<u>783,616,000</u>	<u>193,567,000</u>	<u>977,183,000</u>
	Deferred Outflows of Resources			
Deferred outflows of resources		1,914,000	—	1,914,000
	Liabilities			
Current liabilities:				
Accounts payable		8,553,000	4,547,000	13,100,000
Accrued salaries and benefits payable		24,552,000	37,000	24,589,000
Accrued compensated absences, current portion		6,592,000	460,000	7,052,000
Unearned revenue		16,578,000	103,000	16,681,000
Capitalized lease obligations, current portion		3,015,000	6,000	3,021,000
Long-term debt obligations, current portion		7,993,000	1,320,000	9,313,000
Claims liability for losses and loss adjustment expenses, current portion		—	118,000	118,000
Depository accounts, current portion		380,000	—	380,000
Other liabilities		6,551,000	7,359,000	13,910,000
Total current liabilities		<u>74,214,000</u>	<u>13,950,000</u>	<u>88,164,000</u>
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		6,592,000	602,000	7,194,000
Unearned revenue		—	—	—
Grants refundable		5,847,000	—	5,847,000
Capitalized lease obligations, net of current portion		26,172,000	—	26,172,000
Long-term debt obligations, net of current portion		285,413,000	74,756,000	360,169,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		51,000	66,000	117,000
Other postemployment benefits obligation		5,420,000	7,687,000	13,107,000
Other liabilities		4,180,000	1,135,000	5,315,000
Total noncurrent liabilities		<u>333,675,000</u>	<u>84,246,000</u>	<u>417,921,000</u>
Total liabilities		<u>407,889,000</u>	<u>98,196,000</u>	<u>506,085,000</u>
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		257,438,000	1,774,000	259,212,000
Restricted for:				
Nonexpendable – endowments		—	44,863,000	44,863,000
Expendable:				
Scholarships and fellowships		—	3,180,000	3,180,000
Research		—	—	—
Loans		239,000	—	239,000
Capital projects		262,000	—	262,000
Debt service		214,000	—	214,000
Other		52,000	16,759,000	16,811,000
Unrestricted		119,436,000	28,795,000	148,231,000
Total net position		<u>\$ 377,641,000</u>	<u>95,371,000</u>	<u>473,012,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$71,555,000)	\$ 177,932,000	11,648,000	—	189,580,000
Grants and contracts, noncapital:				
Federal	—	20,171,000	—	20,171,000
State	—	4,022,000	—	4,022,000
Local	—	142,000	—	142,000
Nongovernmental	—	1,269,000	—	1,269,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	36,056,000	38,891,000	—	74,947,000
Other operating revenues	14,140,000	8,900,000	(260,000)	22,780,000
Total operating revenues	<u>228,128,000</u>	<u>85,043,000</u>	<u>(260,000)</u>	<u>312,911,000</u>
Expenses:				
Operating expenses:				
Instruction	168,655,000	10,323,000	—	178,978,000
Research	1,486,000	2,761,000	—	4,247,000
Public service	7,089,000	2,854,000	—	9,943,000
Academic support	27,450,000	7,687,000	—	35,137,000
Student services	33,090,000	14,790,000	—	47,880,000
Institutional support	48,284,000	862,000	—	49,146,000
Operation and maintenance of plant	41,332,000	6,068,000	—	47,400,000
Student grants and scholarships	75,163,000	2,131,000	—	77,294,000
Auxiliary enterprise expenses	20,430,000	37,696,000	(260,000)	57,866,000
Depreciation and amortization	38,884,000	1,404,000	—	40,288,000
Total operating expenses	<u>461,863,000</u>	<u>86,576,000</u>	<u>(260,000)</u>	<u>548,179,000</u>
Operating loss	<u>(233,735,000)</u>	<u>(1,533,000)</u>	<u>—</u>	<u>(235,268,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	112,472,000	—	—	112,472,000
Federal financial aid grants, noncapital	59,696,000	—	—	59,696,000
State financial aid grants, noncapital	35,868,000	—	—	35,868,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	733,000	—	—	733,000
Other federal nonoperating grants, noncapital	1,544,000	—	—	1,544,000
Gifts, noncapital	102,000	5,062,000	—	5,164,000
Investment income net	1,994,000	2,888,000	—	4,882,000
Endowment income	—	425,000	—	425,000
Interest expense	(17,565,000)	(2,058,000)	—	(19,623,000)
Other nonoperating revenues	11,086,000	(3,133,000)	—	7,953,000
Net nonoperating revenues	<u>205,930,000</u>	<u>3,184,000</u>	<u>—</u>	<u>209,114,000</u>
Income (loss) before other revenues and expenses	<u>(27,805,000)</u>	<u>1,651,000</u>	<u>—</u>	<u>(26,154,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	661,000	—	—	661,000
Additions to permanent endowments	—	3,119,000	—	3,119,000
Increase (decrease) in net position	<u>(27,144,000)</u>	<u>4,770,000</u>	<u>—</u>	<u>(22,374,000)</u>
Net position:				
Net position at beginning of year, as previously reported	404,785,000	90,601,000	—	495,386,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>404,785,000</u>	<u>90,601,000</u>	<u>—</u>	<u>495,386,000</u>
Net position at end of year	<u>\$ 377,641,000</u>	<u>95,371,000</u>	<u>—</u>	<u>473,012,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 178,930,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(86,322,000)
Payments to employees	(258,164,000)
Payments to students	(75,163,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	36,056,000
Other receipts	12,682,000
	(191,981,000)
Net cash used in operating activities	
Cash flows from noncapital financing activities:	
State appropriations	112,472,000
Federal financial aid grants	59,696,000
State financial aid grants	35,868,000
Nongovernmental and other financial aid grants	732,000
Other federal nonoperating grants	1,544,000
Gifts and grants received for other than capital purposes	102,000
Federal loan program receipts	1,187,000
Federal loan program disbursements	(760,000)
Monies received on behalf of others	6,417,000
Monies disbursed on behalf of others	(6,286,000)
Other noncapital financing activities	10,861,000
	221,833,000
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from capital debt	33,642,000
State appropriations	—
Capital grants and gifts	260,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(8,142,000)
Issuance of notes receivable	—
Transfers to escrow agent	(24,700,000)
Principal paid on capital debt and leases	(12,838,000)
Interest paid on capital debt and leases	(15,946,000)
Principal payments received on capital leases receivable	110,000
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	(27,614,000)
Net cash used in capital and related financing activities	

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 612,636,000
Purchases of investments	(615,662,000)
Investment income proceeds	2,136,000
Net cash used in investing activities	(890,000)
Net increase in cash and cash equivalents	1,348,000
Cash and cash equivalents at beginning of year	326,000
Cash and cash equivalents at end of year	\$ 1,674,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,674,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 1,674,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (233,735,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	38,884,000
Change in assets and liabilities:	
Accounts receivable, net	(1,650,000)
Student loans receivable, net	—
Prepaid expenses and other assets	(5,281,000)
Accounts payable	1,407,000
Accrued salaries and benefits	2,513,000
Accrued compensated absences	1,190,000
Unearned revenue	2,975,000
Depository accounts	—
Other postemployment benefits obligation	1,233,000
Other liabilities	483,000
Net cash used in operating activities	\$ (191,981,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 401,000
Acquisition of capital assets through long-term debt obligations (other than capital lease)	(3,820,000)
Change in accrued capital asset purchases	40,000
Amortization of bond premium and discount	(1,268,000)
Amortization of loss on debt refundings	376,000
Capital assets paid by the Office of the Chancellor	232,000
Unspent bond proceeds for Bakersfield Housing Project	(4,180,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 9,448,000
Payments from discretely presented component units for other than salaries	5,031,000
Payments to discretely presented component units for services, space, and programs	11,614,000
Gifts in kind from discretely presented component units	475,000
Gifts (cash or assets) from discretely presented component units	310,000
Accounts receivable from discretely presented component units	3,051,000
Accounts payable to discretely presented component units	(1,219,000)
Payments to the Office of the Chancellor for administrative activities	305,000
Payments to the Office of the Chancellor for state pro rata charges	1,147,000
Accounts receivable from the Office of the Chancellor	467,000
Accounts payable to campuses other than the Office of the Chancellor	(4,180,000)
State lottery appropriations received	2,646,000

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 10,000	2,848,000	2,858,000
Short-term investments		41,045,000	13,787,000	54,832,000
Accounts receivable, net		1,330,000	4,629,000	5,959,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	—	—
Pledges receivable, net		—	87,000	87,000
Prepaid expenses and other assets		756,000	133,000	889,000
Total current assets		43,141,000	21,484,000	64,625,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	—	—
Accounts receivable, net		480,000	—	480,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		3,270,000	—	3,270,000
Pledges receivable, net		—	172,000	172,000
Endowment investments		1,557,000	23,344,000	24,901,000
Other long-term investments		2,362,000	7,063,000	9,425,000
Capital assets, net		209,850,000	2,733,000	212,583,000
Other assets		—	7,000	7,000
Total noncurrent assets		217,519,000	33,319,000	250,838,000
Total assets		260,660,000	54,803,000	315,463,000
	Deferred Outflows of Resources			
Deferred outflows of resources		481,000	—	481,000
	Liabilities			
Current liabilities:				
Accounts payable		2,901,000	1,534,000	4,435,000
Accrued salaries and benefits payable		5,991,000	400,000	6,391,000
Accrued compensated absences, current portion		3,396,000	122,000	3,518,000
Unearned revenue		2,183,000	1,253,000	3,436,000
Capitalized lease obligations, current portion		2,138,000	—	2,138,000
Long-term debt obligations, current portion		1,997,000	—	1,997,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		58,000	320,000	378,000
Other liabilities		884,000	557,000	1,441,000
Total current liabilities		19,548,000	4,186,000	23,734,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		1,826,000	165,000	1,991,000
Unearned revenue		—	239,000	239,000
Grants refundable		4,437,000	—	4,437,000
Capitalized lease obligations, net of current portion		4,942,000	—	4,942,000
Long-term debt obligations, net of current portion		56,694,000	2,000,000	58,694,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		—	—	—
Other postemployment benefits obligation		2,525,000	2,520,000	5,045,000
Other liabilities		—	572,000	572,000
Total noncurrent liabilities		70,424,000	5,496,000	75,920,000
Total liabilities		89,972,000	9,682,000	99,654,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		143,665,000	2,733,000	146,398,000
Restricted for:				
Nonexpendable – endowments		1,557,000	16,186,000	17,743,000
Expendable:				
Scholarships and fellowships		1,324,000	—	1,324,000
Research		—	—	—
Loans		875,000	—	875,000
Capital projects		1,036,000	—	1,036,000
Debt service		46,000	—	46,000
Other		234,000	10,056,000	10,290,000
Unrestricted		22,432,000	16,146,000	38,578,000
Total net position		\$ 171,169,000	45,121,000	216,290,000

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$24,136,000)	\$ 38,972,000	1,742,000	—	40,714,000
Grants and contracts, noncapital:				
Federal	152,000	7,735,000	—	7,887,000
State	—	4,228,000	—	4,228,000
Local	—	400,000	—	400,000
Nongovernmental	—	3,029,000	—	3,029,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,438,000)	12,740,000	13,701,000	(51,000)	26,390,000
Other operating revenues	5,525,000	2,322,000	(637,000)	7,210,000
Total operating revenues	<u>57,389,000</u>	<u>33,157,000</u>	<u>(688,000)</u>	<u>89,858,000</u>
Expenses:				
Operating expenses:				
Instruction	47,155,000	45,000	—	47,200,000
Research	—	6,820,000	(11,000)	6,809,000
Public service	493,000	8,165,000	—	8,658,000
Academic support	16,110,000	503,000	—	16,613,000
Student services	17,573,000	1,227,000	(37,000)	18,763,000
Institutional support	17,966,000	428,000	—	18,394,000
Operation and maintenance of plant	16,392,000	—	—	16,392,000
Student grants and scholarships	19,446,000	327,000	—	19,773,000
Auxiliary enterprise expenses	8,284,000	15,665,000	(111,000)	23,838,000
Depreciation and amortization	11,527,000	422,000	—	11,949,000
Total operating expenses	<u>154,946,000</u>	<u>33,602,000</u>	<u>(159,000)</u>	<u>188,389,000</u>
Operating loss	<u>(97,557,000)</u>	<u>(445,000)</u>	<u>(529,000)</u>	<u>(98,531,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	58,365,000	—	—	58,365,000
Federal financial aid grants, noncapital	18,340,000	—	—	18,340,000
State financial aid grants, noncapital	9,281,000	—	—	9,281,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	54,000	—	—	54,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,597,000	4,823,000	(1,353,000)	5,067,000
Investment income net	431,000	168,000	—	599,000
Endowment income	5,000	1,905,000	—	1,910,000
Interest expense	(3,636,000)	(16,000)	—	(3,652,000)
Other nonoperating expenses	(155,000)	(1,611,000)	2,247,000	481,000
Net nonoperating revenues	<u>84,282,000</u>	<u>5,269,000</u>	<u>894,000</u>	<u>90,445,000</u>
Income (loss) before other revenues and expenses	<u>(13,275,000)</u>	<u>4,824,000</u>	<u>365,000</u>	<u>(8,086,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	457,000	53,000	(365,000)	145,000
Additions to permanent endowments	—	121,000	—	121,000
Increase (decrease) in net position	<u>(12,818,000)</u>	<u>4,998,000</u>	<u>—</u>	<u>(7,820,000)</u>
Net position:				
Net position at beginning of year, as previously reported	183,987,000	40,123,000	—	224,110,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>183,987,000</u>	<u>40,123,000</u>	<u>—</u>	<u>224,110,000</u>
Net position at end of year	<u>\$ 171,169,000</u>	<u>45,121,000</u>	<u>—</u>	<u>216,290,000</u>

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 38,640,000
Federal grants and contracts	151,000
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(25,619,000)
Payments to employees	(98,437,000)
Payments to students	(20,106,000)
Collections of student loans	466,000
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	12,673,000
Other receipts	5,132,000
Net cash used in operating activities	<u>(87,100,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	58,364,000
Federal financial aid grants	18,220,000
State financial aid grants	9,281,000
Nongovernmental and other financial aid grants	55,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,598,000
Federal loan program receipts	36,886,000
Federal loan program disbursements	(36,886,000)
Monies received on behalf of others	7,062,000
Monies disbursed on behalf of others	(7,036,000)
Other noncapital financing activities	(96,000)
Net cash provided by noncapital financing activities	<u>87,448,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,685,000
State appropriations	700,000
Capital grants and gifts	457,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(4,254,000)
Issuance of notes receivable	—
Transfers to escrow agent	(4,333,000)
Principal paid on capital debt and leases	(3,968,000)
Interest paid on capital debt and leases	(3,664,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
Net cash used in capital and related financing activities	<u>(10,377,000)</u>

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 172,775,000
Purchases of investments	(163,223,000)
Investment income proceeds	436,000
	<u>9,988,000</u>
Net cash provided by investing activities	(41,000)
Net decrease in cash and cash equivalents	51,000
Cash and cash equivalents at beginning of year	<u>51,000</u>
Cash and cash equivalents at end of year	<u>\$ 10,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 10,000
Restricted cash and cash equivalents	<u>—</u>
Total cash and cash equivalents at end of year	<u>\$ 10,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (97,557,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,527,000
Change in assets and liabilities:	
Accounts receivable, net	(475,000)
Student loans receivable, net	(131,000)
Prepaid expenses and other assets	215,000
Accounts payable	(808,000)
Accrued salaries and benefits	19,000
Accrued compensated absences	132,000
Unearned revenue	(315,000)
Depository accounts	16,000
Other postemployment benefits obligation	532,000
Other liabilities	(255,000)
Net cash used in operating activities	<u>\$ (87,100,000)</u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 195,000
Change in accrued capital asset purchases	(1,318,000)
Gifts in kind	46,000
Amortization of bond premium and discount	454,000
Amortization of loss on debt refundings	(492,000)

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,002,000
Payments from discretely presented component units for other than salaries	2,555,000
Payments to discretely presented component units for services, space, and programs	1,611,000
Gifts in kind from discretely presented component units	347,000
Gifts (cash or assets) from discretely presented component units	955,000
Accounts receivable from discretely presented component units	491,000
Other amounts receivable from discretely presented component units	10,000
Accounts payable to discretely presented component units	(78,000)
Other amounts payable to discretely presented component units	(48,000)
Payments to the Office of the Chancellor for administrative activities	81,000
Payments to the Office of the Chancellor for state pro rata charges	408,000
Accounts receivable from the Office of the Chancellor	21,000
Accounts payable to campuses other than the Office of the Chancellor	(8,000)
State lottery appropriations received	937,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 1,729,000	12,636,000	14,365,000
Short-term investments		197,967,000	35,518,000	233,485,000
Accounts receivable, net		5,808,000	16,279,000	22,087,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	—	—
Pledges receivable, net		—	1,551,000	1,551,000
Prepaid expenses and other assets		3,220,000	2,918,000	6,138,000
Total current assets		<u>208,724,000</u>	<u>68,902,000</u>	<u>277,626,000</u>
Noncurrent assets:				
Restricted cash and cash equivalents		—	—	—
Accounts receivable, net		—	16,703,000	16,703,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		6,676,000	—	6,676,000
Pledges receivable, net		—	4,602,000	4,602,000
Endowment investments		—	50,574,000	50,574,000
Other long-term investments		10,543,000	6,639,000	17,182,000
Capital assets, net		447,977,000	58,409,000	506,386,000
Other assets		424,000	—	424,000
Total noncurrent assets		<u>465,620,000</u>	<u>136,927,000</u>	<u>602,547,000</u>
Total assets		<u>674,344,000</u>	<u>205,829,000</u>	<u>880,173,000</u>
	Deferred Outflows of Resources			
Deferred outflows of resources		<u>57,000</u>	<u>271,000</u>	<u>328,000</u>
	Liabilities			
Current liabilities:				
Accounts payable		7,256,000	5,081,000	12,337,000
Accrued salaries and benefits payable		23,988,000	1,810,000	25,798,000
Accrued compensated absences, current portion		9,071,000	2,226,000	11,297,000
Unearned revenue		32,847,000	6,868,000	39,715,000
Capitalized lease obligations, current portion		—	—	—
Long-term debt obligations, current portion		3,580,000	985,000	4,565,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		429,000	621,000	1,050,000
Other liabilities		2,840,000	1,282,000	4,122,000
Total current liabilities		<u>80,011,000</u>	<u>18,873,000</u>	<u>98,884,000</u>
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		5,768,000	—	5,768,000
Unearned revenue		434,000	—	434,000
Grants refundable		7,183,000	—	7,183,000
Capitalized lease obligations, net of current portion		—	—	—
Long-term debt obligations, net of current portion		115,484,000	35,283,000	150,767,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		—	6,149,000	6,149,000
Other postemployment benefits obligation		7,361,000	14,667,000	22,028,000
Other liabilities		—	9,160,000	9,160,000
Total noncurrent liabilities		<u>136,230,000</u>	<u>65,259,000</u>	<u>201,489,000</u>
Total liabilities		<u>216,241,000</u>	<u>84,132,000</u>	<u>300,373,000</u>
	Deferred Inflows of Resources			
Deferred inflows of resources		<u>—</u>	<u>—</u>	<u>—</u>
	Net Position			
Net position:				
Net investment in capital assets		333,796,000	22,141,000	355,937,000
Restricted for:				
Nonexpendable – endowments		—	43,307,000	43,307,000
Expendable:				
Scholarships and fellowships		1,000	4,324,000	4,325,000
Research		—	4,854,000	4,854,000
Loans		306,000	—	306,000
Capital projects		—	—	—
Debt service		—	—	—
Other		3,000	33,101,000	33,104,000
Unrestricted		<u>124,054,000</u>	<u>14,241,000</u>	<u>138,295,000</u>
Total net position		<u>\$ 458,160,000</u>	<u>121,968,000</u>	<u>580,128,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$102,471,000)	\$ 150,548,000	10,041,000	—	160,589,000
Grants and contracts, noncapital:				
Federal	27,000	23,481,000	—	23,508,000
State	—	5,509,000	—	5,509,000
Local	—	2,153,000	—	2,153,000
Nongovernmental	5,000	3,827,000	—	3,832,000
Sales and services of educational activities	3,390,000	773,000	—	4,163,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,637,000)	21,876,000	39,494,000	—	61,370,000
Other operating revenues	10,660,000	10,389,000	—	21,049,000
Total operating revenues	<u>186,506,000</u>	<u>95,667,000</u>	<u>—</u>	<u>282,173,000</u>
Expenses:				
Operating expenses:				
Instruction	171,202,000	13,803,000	—	185,005,000
Research	1,548,000	11,257,000	—	12,805,000
Public service	1,996,000	4,237,000	—	6,233,000
Academic support	43,962,000	2,276,000	—	46,238,000
Student services	41,892,000	16,281,000	(322,000)	57,851,000
Institutional support	32,793,000	15,831,000	(4,006,000)	44,618,000
Operation and maintenance of plant	35,314,000	741,000	—	36,055,000
Student grants and scholarships	56,453,000	3,761,000	(5,367,000)	54,847,000
Auxiliary enterprise expenses	16,621,000	31,535,000	(77,000)	48,079,000
Depreciation and amortization	28,159,000	2,844,000	—	31,003,000
Total operating expenses	<u>429,940,000</u>	<u>102,566,000</u>	<u>(9,772,000)</u>	<u>522,734,000</u>
Operating loss	<u>(243,434,000)</u>	<u>(6,899,000)</u>	<u>9,772,000</u>	<u>(240,561,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	126,798,000	—	—	126,798,000
Federal financial aid grants, noncapital	67,775,000	—	—	67,775,000
State financial aid grants, noncapital	39,884,000	—	—	39,884,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	4,356,000	—	(4,303,000)	53,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,617,000	9,074,000	(1,463,000)	9,228,000
Investment income net	2,115,000	3,446,000	—	5,561,000
Endowment income	—	4,855,000	—	4,855,000
Interest expense	(6,672,000)	(2,038,000)	—	(8,710,000)
Other nonoperating revenues (expenses)	4,758,000	(1,585,000)	—	3,173,000
Net nonoperating revenues	<u>240,631,000</u>	<u>13,752,000</u>	<u>(5,766,000)</u>	<u>248,617,000</u>
Income (loss) before other revenues and expenses	<u>(2,803,000)</u>	<u>6,853,000</u>	<u>4,006,000</u>	<u>8,056,000</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	4,075,000	—	(4,006,000)	69,000
Additions to permanent endowments	—	1,320,000	—	1,320,000
Increase in net position	<u>1,272,000</u>	<u>8,173,000</u>	<u>—</u>	<u>9,445,000</u>
Net position:				
Net position at beginning of year, as previously reported	456,888,000	113,795,000	—	570,683,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>456,888,000</u>	<u>113,795,000</u>	<u>—</u>	<u>570,683,000</u>
Net position at end of year	<u>\$ 458,160,000</u>	<u>121,968,000</u>	<u>—</u>	<u>580,128,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 148,920,000
Federal grants and contracts	27,000
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	5,000
Payments to suppliers	(64,145,000)
Payments to employees	(281,449,000)
Payments to students	(56,300,000)
Collections of student loans	67,000
Sales and services of educational activities	3,390,000
Sales and services of auxiliary enterprises	19,811,000
Other receipts	10,761,000
	(218,913,000)
Cash flows from noncapital financing activities:	
State appropriations	126,797,000
Federal financial aid grants	67,779,000
State financial aid grants	39,883,000
Nongovernmental and other financial aid grants	4,356,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,848,000
Federal loan program receipts	120,698,000
Federal loan program disbursements	(121,230,000)
Monies received on behalf of others	3,316,000
Monies disbursed on behalf of others	(3,310,000)
Other noncapital financing activities	4,657,000
	244,794,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	647,000
State appropriations	—
Capital grants and gifts	28,000
Proceeds from sale of capital assets	(6,108,000)
Acquisition of capital assets	—
Issuance of notes receivable	—
Transfers to escrow agent	(3,850,000)
Principal paid on capital debt and leases	(6,078,000)
Interest paid on capital debt and leases	—
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	(15,361,000)

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 581,690,000
Purchases of investments	(592,871,000)
Investment income proceeds	2,240,000
Net cash used in investing activities	(8,941,000)
Net increase in cash and cash equivalents	1,579,000
Cash and cash equivalents at beginning of year	150,000
Cash and cash equivalents at end of year	\$ 1,729,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,729,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 1,729,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (243,434,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	28,159,000
Change in assets and liabilities:	
Accounts receivable, net	91,000
Student loans receivable, net	10,000
Prepaid expenses and other assets	(330,000)
Accounts payable	(1,356,000)
Accrued salaries and benefits	(396,000)
Accrued compensated absences	284,000
Unearned revenue	(3,759,000)
Depository accounts	—
Other postemployment benefits obligation	1,541,000
Other liabilities	277,000
Net cash used in operating activities	\$ (218,913,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 4,075,000
Change in accrued capital asset purchases	824,000
Gifts in kind	231,000
Amortization of bond premium and discount	(710,000)
Amortization of loss on debt refundings	60,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,632,000
Payments from discretely presented component units for other than salaries	10,565,000
Payments to discretely presented component units for services, space, and programs	7,243,000
Gifts in kind from discretely presented component units	78,000
Gifts (cash or assets) from discretely presented component units	4,627,000
Accounts receivable from discretely presented component units	3,076,000
Accounts payable to discretely presented component units	(494,000)
Other amounts payable to discretely presented component units	(775,000)
Payments to the Office of the Chancellor for administrative activities	360,000
Payments to the Office of the Chancellor for state pro rata charges	1,409,000
Accounts receivable from the Office of the Chancellor	244,000
State lottery appropriations received	2,939,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Net Position

June 30, 2013

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10,000	5,392,000	5,402,000
Short-term investments	116,237,000	6,264,000	122,501,000
Accounts receivable, net	5,263,000	4,644,000	9,907,000
Leases receivable, current portion	740,000	—	740,000
Notes receivable, current portion	—	54,000	54,000
Pledges receivable, net	—	503,000	503,000
Prepaid expenses and other assets	1,079,000	103,000	1,182,000
Total current assets	<u>123,329,000</u>	<u>16,960,000</u>	<u>140,289,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	1,176,000	1,176,000
Accounts receivable, net	3,477,000	—	3,477,000
Leases receivable, net of current portion	24,050,000	—	24,050,000
Notes receivable, net of current portion	—	359,000	359,000
Student loans receivable, net	1,906,000	—	1,906,000
Pledges receivable, net	—	466,000	466,000
Endowment investments	—	16,180,000	16,180,000
Other long-term investments	7,740,000	6,178,000	13,918,000
Capital assets, net	259,930,000	25,361,000	285,291,000
Other assets	301,000	—	301,000
Total noncurrent assets	<u>297,404,000</u>	<u>49,720,000</u>	<u>347,124,000</u>
Total assets	<u>420,733,000</u>	<u>66,680,000</u>	<u>487,413,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>744,000</u>	<u>—</u>	<u>744,000</u>
Liabilities			
Current liabilities:			
Accounts payable	5,145,000	1,111,000	6,256,000
Accrued salaries and benefits payable	13,067,000	1,784,000	14,851,000
Accrued compensated absences, current portion	4,519,000	538,000	5,057,000
Unearned revenue	10,199,000	3,315,000	13,514,000
Capitalized lease obligations, current portion	—	740,000	740,000
Long-term debt obligations, current portion	2,690,000	241,000	2,931,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	329,000	329,000
Other liabilities	1,435,000	771,000	2,206,000
Total current liabilities	<u>37,055,000</u>	<u>8,829,000</u>	<u>45,884,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,169,000	79,000	4,248,000
Unearned revenue	97,000	—	97,000
Grants refundable	2,221,000	—	2,221,000
Capitalized lease obligations, net of current portion	—	24,701,000	24,701,000
Long-term debt obligations, net of current portion	72,687,000	2,309,000	74,996,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	127,000	—	127,000
Other postemployment benefits obligation	2,662,000	3,438,000	6,100,000
Other liabilities	8,000	2,527,000	2,535,000
Total noncurrent liabilities	<u>81,971,000</u>	<u>33,054,000</u>	<u>115,025,000</u>
Total liabilities	<u>119,026,000</u>	<u>41,883,000</u>	<u>160,909,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>223,000</u>	<u>223,000</u>
Net Position			
Net position:			
Net investment in capital assets	210,203,000	(2,853,000)	207,350,000
Restricted for:			
Nonexpendable – endowments	—	18,460,000	18,460,000
Expendable:			
Scholarships and fellowships	1,294,000	6,429,000	7,723,000
Research	—	—	—
Loans	206,000	—	206,000
Capital projects	820,000	—	820,000
Debt service	—	—	—
Other	1,532,000	—	1,532,000
Unrestricted	88,396,000	2,538,000	90,934,000
Total net position	<u>\$ 302,451,000</u>	<u>24,574,000</u>	<u>327,025,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$73,502,000)	\$ 75,213,000	26,130,000	—	101,343,000
Grants and contracts, noncapital:				
Federal	—	2,179,000	—	2,179,000
State	—	273,000	—	273,000
Local	—	1,703,000	—	1,703,000
Nongovernmental	—	1,575,000	—	1,575,000
Sales and services of educational activities	721,000	—	—	721,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,201,000)	10,325,000	5,236,000	—	15,561,000
Other operating revenues	5,769,000	794,000	—	6,563,000
Total operating revenues	<u>92,028,000</u>	<u>37,890,000</u>	<u>—</u>	<u>129,918,000</u>
Expenses:				
Operating expenses:				
Instruction	95,958,000	25,025,000	—	120,983,000
Research	2,264,000	—	—	2,264,000
Public service	2,033,000	—	—	2,033,000
Academic support	28,746,000	—	—	28,746,000
Student services	19,987,000	3,261,000	—	23,248,000
Institutional support	29,963,000	2,829,000	—	32,792,000
Operation and maintenance of plant	19,120,000	2,946,000	—	22,066,000
Student grants and scholarships	47,109,000	1,044,000	—	48,153,000
Auxiliary enterprise expenses	9,460,000	—	—	9,460,000
Depreciation and amortization	14,977,000	1,810,000	—	16,787,000
Total operating expenses	<u>269,617,000</u>	<u>36,915,000</u>	<u>—</u>	<u>306,532,000</u>
Operating income (loss)	<u>(177,589,000)</u>	<u>975,000</u>	<u>—</u>	<u>(176,614,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	93,866,000	—	—	93,866,000
Federal financial aid grants, noncapital	55,363,000	—	—	55,363,000
State financial aid grants, noncapital	23,656,000	—	—	23,656,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	72,000	—	—	72,000
Other federal nonoperating grants, noncapital	96,000	—	—	96,000
Gifts, noncapital	6,000	1,179,000	—	1,185,000
Investment income net	2,111,000	234,000	—	2,345,000
Endowment income	—	1,653,000	—	1,653,000
Interest expense	(3,793,000)	(1,332,000)	—	(5,125,000)
Other nonoperating revenues (expenses)	2,842,000	(717,000)	709,000	2,834,000
Net nonoperating revenues	<u>174,219,000</u>	<u>1,017,000</u>	<u>709,000</u>	<u>175,945,000</u>
Income (loss) before other revenues and expenses	<u>(3,370,000)</u>	<u>1,992,000</u>	<u>709,000</u>	<u>(669,000)</u>
State appropriations, capital	207,000	—	—	207,000
Grants and gifts, capital	827,000	—	(709,000)	118,000
Additions to permanent endowments	—	2,133,000	—	2,133,000
Increase (decrease) in net position	<u>(2,336,000)</u>	<u>4,125,000</u>	<u>—</u>	<u>1,789,000</u>
Net position:				
Net position at beginning of year, as previously reported	304,787,000	20,449,000	—	325,236,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>304,787,000</u>	<u>20,449,000</u>	<u>—</u>	<u>325,236,000</u>
Net position at end of year	<u>\$ 302,451,000</u>	<u>24,574,000</u>	<u>—</u>	<u>327,025,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 75,807,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(40,482,000)
Payments to employees	(165,841,000)
Payments to students	(47,109,000)
Collections of student loans	194,000
Sales and services of educational activities	721,000
Sales and services of auxiliary enterprises	10,596,000
Other receipts	7,702,000
	<hr/>
Net cash used in operating activities	(158,412,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	93,865,000
Federal financial aid grants	55,362,000
State financial aid grants	22,523,000
Nongovernmental and other financial aid grants	72,000
Other federal nonoperating grants	96,000
Gifts and grants received for other than capital purposes	6,000
Federal loan program receipts	74,780,000
Federal loan program disbursements	(75,060,000)
Monies received on behalf of others	5,886,000
Monies disbursed on behalf of others	(5,945,000)
Other noncapital financing activities	2,839,000
	<hr/>
Net cash provided by noncapital financing activities	174,424,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	9,674,000
State appropriations	1,713,000
Capital grants and gifts	979,000
Proceeds from sale of capital assets	24,000
Acquisition of capital assets	(8,430,000)
Issuance of notes receivable	—
Transfers to escrow agent	(9,621,000)
Principal paid on capital debt and leases	(3,060,000)
Interest paid on capital debt and leases	(3,623,000)
Principal payments received on capital leases receivable	1,326,000
Interest payments received on capital leases receivable	1,249,000
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(9,769,000)
	<hr/>

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 178,704,000
Purchases of investments	(185,760,000)
Investment income proceeds	813,000
Net cash used in investing activities	(6,243,000)
Net decrease in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	10,000
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
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (177,589,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,977,000
Change in assets and liabilities:	
Accounts receivable, net	1,753,000
Student loans receivable, net	194,000
Prepaid expenses and other assets	240,000
Accounts payable	351,000
Accrued salaries and benefits	(287,000)
Accrued compensated absences	332,000
Unearned revenue	771,000
Depository accounts	—
Other postemployment benefits obligation	629,000
Other liabilities	217,000
Net cash used in operating activities	\$ (158,412,000)
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ (1,297,000)
Amortization of bond premium and discount	(61,000)
Amortization of loss on debt refundings	744,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,586,000
Payments from discretely presented component units for other than salaries	6,177,000
Payments to discretely presented component units for services, space, and programs	2,764,000
Accounts receivable from discretely presented component units	3,676,000
Accounts payable to discretely presented component units	(263,000)
Payments to the Office of the Chancellor for administrative activities	136,000
Payments to the Office of the Chancellor for state pro rata charges	578,000
Accounts receivable from the Office of the Chancellor	287,000
State lottery appropriations received	2,552,000

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 215,000	1,673,000	1,888,000
Short-term investments		21,853,000	100,000	21,953,000
Accounts receivable, net		2,240,000	154,000	2,394,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	24,000	24,000
Pledges receivable, net		—	95,000	95,000
Prepaid expenses and other assets		1,242,000	8,000	1,250,000
Total current assets		25,550,000	2,054,000	27,604,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	137,000	137,000
Accounts receivable, net		481,000	—	481,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	30,000	30,000
Student loans receivable, net		1,541,000	—	1,541,000
Pledges receivable, net		—	201,000	201,000
Endowment investments		—	5,198,000	5,198,000
Other long-term investments		8,692,000	—	8,692,000
Capital assets, net		78,418,000	677,000	79,095,000
Other assets		—	—	—
Total noncurrent assets		89,132,000	6,243,000	95,375,000
Total assets		114,682,000	8,297,000	122,979,000
	Deferred Outflows of Resources			
Deferred outflows of resources		—	—	—
	Liabilities			
Current liabilities:				
Accounts payable		4,373,000	12,000	4,385,000
Accrued salaries and benefits payable		1,173,000	—	1,173,000
Accrued compensated absences, current portion		369,000	—	369,000
Unearned revenue		81,000	—	81,000
Capitalized lease obligations, current portion		—	—	—
Long-term debt obligations, current portion		345,000	5,000	350,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		—	—	—
Other liabilities		379,000	76,000	455,000
Total current liabilities		6,720,000	93,000	6,813,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		1,225,000	—	1,225,000
Unearned revenue		—	—	—
Grants refundable		1,850,000	—	1,850,000
Capitalized lease obligations, net of current portion		—	—	—
Long-term debt obligations, net of current portion		30,420,000	49,000	30,469,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		158,000	—	158,000
Other postemployment benefits obligation		996,000	—	996,000
Other liabilities		—	—	—
Total noncurrent liabilities		34,649,000	49,000	34,698,000
Total liabilities		41,369,000	142,000	41,511,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		48,508,000	677,000	49,185,000
Restricted for:				
Nonexpendable – endowments		—	5,409,000	5,409,000
Expendable:				
Scholarships and fellowships		—	—	—
Research		—	—	—
Loans		46,000	—	46,000
Capital projects		7,962,000	100,000	8,062,000
Debt service		119,000	—	119,000
Other		4,426,000	1,125,000	5,551,000
Unrestricted		12,252,000	844,000	13,096,000
Total net position		\$ 73,313,000	8,155,000	81,468,000

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$1,033,000)	\$ 9,702,000	202,000	—	9,904,000
Grants and contracts, noncapital:				
Federal	2,505,000	—	—	2,505,000
State	43,000	—	—	43,000
Local	55,000	—	—	55,000
Nongovernmental	1,350,000	—	—	1,350,000
Sales and services of educational activities	13,000	—	—	13,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$768,000)	7,204,000	—	—	7,204,000
Other operating revenues	54,000	1,983,000	(123,000)	1,914,000
Total operating revenues	<u>20,926,000</u>	<u>2,185,000</u>	<u>(123,000)</u>	<u>22,988,000</u>
Expenses:				
Operating expenses:				
Instruction	12,371,000	—	—	12,371,000
Research	2,150,000	—	—	2,150,000
Public service	21,000	—	—	21,000
Academic support	1,975,000	—	—	1,975,000
Student services	5,014,000	53,000	—	5,067,000
Institutional support	6,072,000	183,000	—	6,255,000
Operation and maintenance of plant	6,205,000	—	—	6,205,000
Student grants and scholarships	2,671,000	299,000	(299,000)	2,671,000
Auxiliary enterprise expenses	4,673,000	665,000	(123,000)	5,215,000
Depreciation and amortization	3,691,000	265,000	—	3,956,000
Total operating expenses	<u>44,843,000</u>	<u>1,465,000</u>	<u>(422,000)</u>	<u>45,886,000</u>
Operating income (loss)	<u>(23,917,000)</u>	<u>720,000</u>	<u>299,000</u>	<u>(22,898,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	22,444,000	—	—	22,444,000
Federal financial aid grants, noncapital	1,869,000	—	—	1,869,000
State financial aid grants, noncapital	639,000	—	—	639,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	302,000	—	(299,000)	3,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	12,000	—	—	12,000
Investment income net	285,000	12,000	—	297,000
Endowment income	—	143,000	—	143,000
Interest expense	(1,443,000)	—	—	(1,443,000)
Other nonoperating revenues (expenses)	4,726,000	(20,000)	36,000	4,742,000
Net nonoperating revenues	<u>28,834,000</u>	<u>135,000</u>	<u>(263,000)</u>	<u>28,706,000</u>
Income before other revenues and expenses	<u>4,917,000</u>	<u>855,000</u>	<u>36,000</u>	<u>5,808,000</u>
State appropriations, capital	481,000	—	—	481,000
Grants and gifts, capital	36,000	—	(36,000)	—
Additions to permanent endowments	—	—	—	—
Increase in net position	<u>5,434,000</u>	<u>855,000</u>	<u>—</u>	<u>6,289,000</u>
Net position:				
Net position at beginning of year, as previously reported	67,879,000	7,300,000	—	75,179,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>67,879,000</u>	<u>7,300,000</u>	<u>—</u>	<u>75,179,000</u>
Net position at end of year	<u>\$ 73,313,000</u>	<u>8,155,000</u>	<u>—</u>	<u>81,468,000</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 9,693,000
Federal grants and contracts	2,706,000
State grants and contracts	(6,000)
Local grants and contracts	55,000
Nongovernmental grants and contracts	631,000
Payments to suppliers	(13,720,000)
Payments to employees	(24,741,000)
Payments to students	(3,288,000)
Collections of student loans	617,000
Sales and services of educational activities	12,000
Sales and services of auxiliary enterprises	7,174,000
Other receipts	141,000
Net cash used in operating activities	(20,726,000)
Cash flows from noncapital financing activities:	
State appropriations	22,444,000
Federal financial aid grants	1,869,000
State financial aid grants	639,000
Nongovernmental and other financial aid grants	302,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	12,000
Federal loan program receipts	7,576,000
Federal loan program disbursements	(7,460,000)
Monies received on behalf of others	250,000
Monies disbursed on behalf of others	(253,000)
Other noncapital financing activities	4,809,000
Net cash provided by noncapital financing activities	30,188,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	5,104,000
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(1,260,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,290,000)
Interest paid on capital debt and leases	(2,104,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
Net cash provided by capital and related financing activities	450,000

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 50,714,000
Purchases of investments	(60,800,000)
Investment income proceeds	324,000
Net cash used in investing activities	(9,762,000)
Net increase in cash and cash equivalents	150,000
Cash and cash equivalents at beginning of year	65,000
Cash and cash equivalents at end of year	\$ 215,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 215,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 215,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (23,917,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	3,691,000
Change in assets and liabilities:	
Accounts receivable, net	(576,000)
Student loans receivable, net	—
Prepaid expenses and other assets	570,000
Accounts payable	(989,000)
Accrued salaries and benefits	63,000
Accrued compensated absences	205,000
Unearned revenue	(12,000)
Depository accounts	29,000
Other postemployment benefits obligation	219,000
Other liabilities	(9,000)
Net cash used in operating activities	\$ (20,726,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 36,000
Acquisition of capital assets through long-term debt obligations (other than capital lease)	15,790,000
Change in accrued capital asset purchases	(358,000)
Gifts in kind	10,000
Amortization of bond premium and discount	(45,000)
Capital assets paid by the Office of the Chancellor	572,000

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for other than salaries	\$ 53,000
Payments to discretely presented component units for services, space, and programs	2,000
Gifts in kind from discretely presented component units	36,000
Gifts (cash or assets) from discretely presented component units	418,000
Accounts receivable from discretely presented component units	11,000
Payments to the Office of the Chancellor for administrative activities	37,000
Payments to the Office of the Chancellor for state pro rata charges	180,000
Accounts payable to the Office of the Chancellor	(2,705,000)
State lottery appropriations received	199,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Net Position

June 30, 2013

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 270,000	11,946,000	12,216,000
Short-term investments	36,698,000	768,000	37,466,000
Accounts receivable, net	3,073,000	4,514,000	7,587,000
Leases receivable, current portion	1,875,000	—	1,875,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	362,000	362,000
Prepaid expenses and other assets	503,000	3,075,000	3,578,000
Total current assets	42,419,000	20,665,000	63,084,000
Noncurrent assets:			
Restricted cash and cash equivalents	—	10,000	10,000
Accounts receivable, net	282,000	25,000	307,000
Leases receivable, net of current portion	60,075,000	—	60,075,000
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	—	—	—
Pledges receivable, net	—	137,000	137,000
Endowment investments	—	15,799,000	15,799,000
Other long-term investments	1,674,000	30,629,000	32,303,000
Capital assets, net	241,010,000	61,644,000	302,654,000
Other assets	—	—	—
Total noncurrent assets	303,041,000	108,244,000	411,285,000
Total assets	345,460,000	128,909,000	474,369,000
Deferred Outflows of Resources			
Deferred outflows of resources	—	3,603,000	3,603,000
Liabilities			
Current liabilities:			
Accounts payable	2,974,000	4,089,000	7,063,000
Accrued salaries and benefits payable	4,053,000	185,000	4,238,000
Accrued compensated absences, current portion	2,405,000	426,000	2,831,000
Unearned revenue	1,130,000	1,016,000	2,146,000
Capitalized lease obligations, current portion	—	1,875,000	1,875,000
Long-term debt obligations, current portion	2,182,000	—	2,182,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	717,000	—	717,000
Other liabilities	1,150,000	63,000	1,213,000
Total current liabilities	14,611,000	7,654,000	22,265,000
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,131,000	—	1,131,000
Unearned revenue	—	—	—
Grants refundable	—	—	—
Capitalized lease obligations, net of current portion	—	65,655,000	65,655,000
Long-term debt obligations, net of current portion	62,774,000	—	62,774,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	1,081,000	1,081,000
Other postemployment benefits obligation	1,011,000	—	1,011,000
Other liabilities	—	89,000	89,000
Total noncurrent liabilities	64,916,000	66,825,000	131,741,000
Total liabilities	79,527,000	74,479,000	154,006,000
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	238,004,000	(2,283,000)	235,721,000
Restricted for:			
Nonexpendable – endowments	—	9,631,000	9,631,000
Expendable:			
Scholarships and fellowships	236,000	4,466,000	4,702,000
Research	—	364,000	364,000
Loans	2,000	—	2,000
Capital projects	282,000	—	282,000
Debt service	—	—	—
Other	1,000	6,690,000	6,691,000
Unrestricted	27,408,000	39,165,000	66,573,000
Total net position	\$ 265,933,000	58,033,000	323,966,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$17,055,000)	\$ 23,066,000	—	—	23,066,000
Grants and contracts, noncapital:				
Federal	—	10,081,000	—	10,081,000
State	—	1,101,000	—	1,101,000
Local	195,000	106,000	—	301,000
Nongovernmental	—	609,000	—	609,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	876,000	29,202,000	—	30,078,000
Other operating revenues	7,696,000	566,000	—	8,262,000
Total operating revenues	31,833,000	41,665,000	—	73,498,000
Expenses:				
Operating expenses:				
Instruction	31,017,000	635,000	—	31,652,000
Research	109,000	5,646,000	—	5,755,000
Public service	638,000	3,651,000	—	4,289,000
Academic support	7,967,000	1,105,000	—	9,072,000
Student services	16,056,000	2,920,000	—	18,976,000
Institutional support	15,155,000	3,688,000	—	18,843,000
Operation and maintenance of plant	14,887,000	—	—	14,887,000
Student grants and scholarships	9,114,000	1,906,000	—	11,020,000
Auxiliary enterprise expenses	1,036,000	14,884,000	(2,870,000)	13,050,000
Depreciation and amortization	13,749,000	3,735,000	—	17,484,000
Total operating expenses	109,728,000	38,170,000	(2,870,000)	145,028,000
Operating income (loss)	(77,895,000)	3,495,000	2,870,000	(71,530,000)
Nonoperating revenues (expenses):				
State appropriations, noncapital	51,930,000	—	—	51,930,000
Federal financial aid grants, noncapital	12,003,000	—	—	12,003,000
State financial aid grants, noncapital	4,531,000	—	—	4,531,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	2,870,000	2,890,000	(2,870,000)	2,890,000
Investment income net	2,949,000	2,066,000	—	5,015,000
Endowment income	—	1,704,000	—	1,704,000
Interest expense	(2,590,000)	(3,607,000)	—	(6,197,000)
Other nonoperating revenues (expenses)	1,946,000	(469,000)	—	1,477,000
Net nonoperating revenues	73,639,000	2,584,000	(2,870,000)	73,353,000
Income (loss) before other revenues and expenses	(4,256,000)	6,079,000	—	1,823,000
State appropriations, capital	72,000	—	—	72,000
Grants and gifts, capital	—	(2,064,000)	—	(2,064,000)
Additions to permanent endowments	—	169,000	—	169,000
Increase (decrease) in net position	(4,184,000)	4,184,000	—	—
Net position:				
Net position at beginning of year, as previously reported	270,117,000	53,849,000	—	323,966,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	270,117,000	53,849,000	—	323,966,000
Net position at end of year	\$ 265,933,000	58,033,000	—	323,966,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 22,641,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	195,000
Nongovernmental grants and contracts	—
Payments to suppliers	(20,600,000)
Payments to employees	(65,935,000)
Payments to students	(9,114,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	(213,000)
Other receipts	7,696,000
	<hr/>
Net cash used in operating activities	(65,330,000)
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Cash flows from noncapital financing activities:	
State appropriations	51,930,000
Federal financial aid grants	12,003,000
State financial aid grants	4,531,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	2,868,000
Federal loan program receipts	—
Federal loan program disbursements	—
Monies received on behalf of others	—
Monies disbursed on behalf of others	(546,000)
Other noncapital financing activities	1,899,000
	<hr/>
Net cash provided by noncapital financing activities	72,685,000
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Cash flows from capital and related financing activities:	
Proceeds from capital debt	22,807,000
State appropriations	935,000
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(6,338,000)
Issuance of notes receivable	—
Transfers to escrow agent	(23,965,000)
Principal paid on capital debt and leases	(4,767,000)
Interest paid on capital debt and leases	(2,590,000)
Principal payments received on capital leases receivable	3,030,000
Interest payments received on capital leases receivable	2,611,000
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(8,277,000)
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CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 145,407,000
Purchases of investments	(144,517,000)
Investment income proceeds	302,000
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Net cash provided by investing activities	1,192,000
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Net increase in cash and cash equivalents	270,000
Cash and cash equivalents at beginning of year	—
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Cash and cash equivalents at end of year	\$ 270,000
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Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 270,000
Restricted cash and cash equivalents	—
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Total cash and cash equivalents at end of year	\$ 270,000
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Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (77,895,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	13,749,000
Change in assets and liabilities:	
Accounts receivable, net	(1,082,000)
Student loans receivable, net	—
Prepaid expenses and other assets	64,000
Accounts payable	(746,000)
Accrued salaries and benefits	(384,000)
Accrued compensated absences	99,000
Unearned revenue	(503,000)
Depository accounts	716,000
Other postemployment benefits obligation	253,000
Other liabilities	399,000
	<hr/>
Net cash used in operating activities	\$ (65,330,000)
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Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ (126,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,005,000
Payments from discretely presented component units for other than salaries	3,200,000
Gifts in kind from discretely presented component units	122,000
Gifts (cash or assets) from discretely presented component units	4,291,000
Accounts receivable from discretely presented component units	2,132,000
Accounts payable to discretely presented component units	(37,000)
Payments to the Office of the Chancellor for administrative activities	53,000
Payments to the Office of the Chancellor for state pro rata charges	174,000
Accounts receivable from the Office of the Chancellor	66,000
State lottery appropriations received	424,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Net Position

June 30, 2013

	Campus	Discretely presented component units	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 411,000	16,544,000	16,955,000
Short-term investments	178,554,000	48,677,000	227,231,000
Accounts receivable, net	7,838,000	5,557,000	13,395,000
Leases receivable, current portion	330,000	—	330,000
Notes receivable, current portion	—	3,000	3,000
Pledges receivable, net	—	1,689,000	1,689,000
Prepaid expenses and other assets	2,893,000	713,000	3,606,000
Total current assets	<u>190,026,000</u>	<u>73,183,000</u>	<u>263,209,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	2,500,000	2,500,000
Accounts receivable, net	—	1,358,000	1,358,000
Leases receivable, net of current portion	8,215,000	—	8,215,000
Notes receivable, net of current portion	—	288,000	288,000
Student loans receivable, net	1,925,000	—	1,925,000
Pledges receivable, net	—	2,892,000	2,892,000
Endowment investments	—	64,481,000	64,481,000
Other long-term investments	24,426,000	11,605,000	36,031,000
Capital assets, net	506,041,000	22,151,000	528,192,000
Other assets	—	1,552,000	1,552,000
Total noncurrent assets	<u>540,607,000</u>	<u>106,827,000</u>	<u>647,434,000</u>
Total assets	<u>730,633,000</u>	<u>180,010,000</u>	<u>910,643,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>2,291,000</u>	—	<u>2,291,000</u>
Liabilities			
Current liabilities:			
Accounts payable	12,267,000	2,378,000	14,645,000
Accrued salaries and benefits payable	21,304,000	1,896,000	23,200,000
Accrued compensated absences, current portion	8,933,000	599,000	9,532,000
Unearned revenue	21,357,000	3,487,000	24,844,000
Capitalized lease obligations, current portion	—	330,000	330,000
Long-term debt obligations, current portion	6,775,000	370,000	7,145,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	341,000	2,118,000	2,459,000
Other liabilities	3,013,000	121,000	3,134,000
Total current liabilities	<u>73,990,000</u>	<u>11,299,000</u>	<u>85,289,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,632,000	196,000	5,828,000
Unearned revenue	—	—	—
Grants refundable	3,649,000	30,000	3,679,000
Capitalized lease obligations, net of current portion	—	8,972,000	8,972,000
Long-term debt obligations, net of current portion	157,080,000	4,128,000	161,208,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	8,395,000	3,805,000	12,200,000
Other liabilities	—	—	—
Total noncurrent liabilities	<u>174,756,000</u>	<u>17,131,000</u>	<u>191,887,000</u>
Total liabilities	<u>248,746,000</u>	<u>28,430,000</u>	<u>277,176,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	354,663,000	8,352,000	363,015,000
Restricted for:			
Nonexpendable – endowments	—	43,655,000	43,655,000
Expendable:			
Scholarships and fellowships	478,000	15,152,000	15,630,000
Research	—	2,994,000	2,994,000
Loans	335,000	—	335,000
Capital projects	39,000	3,042,000	3,081,000
Debt service	17,000	—	17,000
Other	—	38,476,000	38,476,000
Unrestricted	128,646,000	39,909,000	168,555,000
Total net position	<u>\$ 484,178,000</u>	<u>151,580,000</u>	<u>635,758,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$108,025,000)	\$ 168,190,000	16,658,000	—	184,848,000
Grants and contracts, noncapital:				
Federal	—	28,681,000	—	28,681,000
State	—	1,452,000	—	1,452,000
Local	—	1,131,000	—	1,131,000
Nongovernmental	—	522,000	—	522,000
Sales and services of educational activities	1,405,000	—	—	1,405,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	29,722,000	17,456,000	—	47,178,000
Other operating revenues	16,030,000	3,413,000	—	19,443,000
Total operating revenues	<u>215,347,000</u>	<u>69,313,000</u>	<u>—</u>	<u>284,660,000</u>
Expenses:				
Operating expenses:				
Instruction	163,702,000	418,000	(94,000)	164,026,000
Research	3,773,000	28,535,000	—	32,308,000
Public service	1,573,000	406,000	—	1,979,000
Academic support	46,742,000	845,000	—	47,587,000
Student services	64,820,000	17,409,000	—	82,229,000
Institutional support	36,945,000	6,132,000	—	43,077,000
Operation and maintenance of plant	28,244,000	23,000	—	28,267,000
Student grants and scholarships	69,081,000	2,266,000	—	71,347,000
Auxiliary enterprise expenses	20,770,000	15,334,000	—	36,104,000
Depreciation and amortization	27,819,000	2,052,000	—	29,871,000
Total operating expenses	<u>463,469,000</u>	<u>73,420,000</u>	<u>(94,000)</u>	<u>536,795,000</u>
Operating loss	<u>(248,122,000)</u>	<u>(4,107,000)</u>	<u>94,000</u>	<u>(252,135,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	124,724,000	—	—	124,724,000
Federal financial aid grants, noncapital	71,648,000	—	—	71,648,000
State financial aid grants, noncapital	38,973,000	—	—	38,973,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	4,020,000	—	—	4,020,000
Other federal nonoperating grants, noncapital	673,000	—	—	673,000
Gifts, noncapital	87,000	8,698,000	—	8,785,000
Investment income net	2,121,000	11,069,000	—	13,190,000
Endowment income	—	296,000	—	296,000
Interest expense	(8,770,000)	(534,000)	—	(9,304,000)
Other nonoperating revenues (expenses)	3,540,000	1,069,000	—	4,609,000
Net nonoperating revenues	<u>237,016,000</u>	<u>20,598,000</u>	<u>—</u>	<u>257,614,000</u>
Income (loss) before other revenues and expenses	<u>(11,106,000)</u>	<u>16,491,000</u>	<u>94,000</u>	<u>5,479,000</u>
State appropriations, capital				
Grants and gifts, capital	1,321,000	—	(94,000)	1,227,000
Additions to permanent endowments	—	1,673,000	—	1,673,000
Increase (decrease) in net position	<u>(9,785,000)</u>	<u>18,164,000</u>	<u>—</u>	<u>8,379,000</u>
Net position:				
Net position at beginning of year, as previously reported	493,963,000	133,416,000	—	627,379,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>493,963,000</u>	<u>133,416,000</u>	<u>—</u>	<u>627,379,000</u>
Net position at end of year	<u>\$ 484,178,000</u>	<u>151,580,000</u>	<u>—</u>	<u>635,758,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 165,508,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(84,815,000)
Payments to employees	(278,652,000)
Payments to students	(69,264,000)
Collections of student loans	498,000
Sales and services of educational activities	1,405,000
Sales and services of auxiliary enterprises	30,262,000
Other receipts	15,818,000
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Net cash used in operating activities	(219,240,000)
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Cash flows from noncapital financing activities:	
State appropriations	124,724,000
Federal financial aid grants	71,607,000
State financial aid grants	38,973,000
Nongovernmental and other financial aid grants	4,020,000
Other federal nonoperating grants	673,000
Gifts and grants received for other than capital purposes	87,000
Federal loan program receipts	127,330,000
Federal loan program disbursements	(127,165,000)
Monies received on behalf of others	6,919,000
Monies disbursed on behalf of others	(7,353,000)
Other noncapital financing activities	4,015,000
	<hr/>
Net cash provided by noncapital financing activities	243,830,000
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Cash flows from capital and related financing activities:	
Proceeds from capital debt	21,162,000
State appropriations	5,000
Capital grants and gifts	1,118,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(19,011,000)
Issuance of notes receivable	—
Transfers to escrow agent	(21,364,000)
Principal paid on capital debt and leases	(9,700,000)
Interest paid on capital debt and leases	(7,365,000)
Principal payments received on capital leases receivable	470,000
Interest payments received on capital leases receivable	359,000
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(34,326,000)
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CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 618,183,000
Purchases of investments	(609,718,000)
Investment income proceeds	1,670,000
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Net cash provided by investing activities	10,135,000
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Net increase in cash and cash equivalents	399,000
Cash and cash equivalents at beginning of year	12,000
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Cash and cash equivalents at end of year	\$ 411,000
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Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 411,000
Restricted cash and cash equivalents	—
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Total cash and cash equivalents at end of year	\$ 411,000
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Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (248,122,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	27,819,000
Change in assets and liabilities:	
Accounts receivable, net	(912,000)
Student loans receivable, net	498,000
Prepaid expenses and other assets	186,000
Accounts payable	(859,000)
Accrued salaries and benefits	957,000
Accrued compensated absences	53,000
Unearned revenue	(1,442,000)
Depository accounts	—
Other postemployment benefits obligation	1,831,000
Other liabilities	751,000
	<hr/>
Net cash used in operating activities	\$ (219,240,000)
	<hr/> <hr/>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 94,000
Change in accrued capital asset purchases	1,585,000
Amortization of bond premium and discount	(490,000)
Amortization of loss on debt refundings	2,291,000
Capital assets paid by the Office of the Chancellor	109,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,241,000
Payments from discretely presented component units for other than salaries	3,642,000
Payments to discretely presented component units for services, space, and programs	12,867,000
Gifts in kind from discretely presented component units	73,000
Gifts (cash or assets) from discretely presented component units	22,000
Accounts receivable from discretely presented component units	442,000
Accounts payable to discretely presented component units	(197,000)
Payments to the Office of the Chancellor for administrative activities	352,000
Payments to the Office of the Chancellor for state pro rata charges	1,492,000
Accounts receivable from the Office of the Chancellor	295,000
Accounts payable to campuses other than the Office of the Chancellor	(2,000)
State lottery appropriations received	2,834,000

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 486,000	6,040,000	6,526,000
Short-term investments		136,079,000	43,682,000	179,761,000
Accounts receivable, net		17,445,000	6,181,000	23,626,000
Leases receivable, current portion		780,000	—	780,000
Notes receivable, current portion		—	—	—
Pledges receivable, net		400,000	3,242,000	3,642,000
Prepaid expenses and other assets		3,166,000	2,854,000	6,020,000
Total current assets		158,356,000	61,999,000	220,355,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	1,247,000	1,247,000
Accounts receivable, net		102,000	—	102,000
Leases receivable, net of current portion		27,175,000	—	27,175,000
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		5,648,000	—	5,648,000
Pledges receivable, net		396,000	5,123,000	5,519,000
Endowment investments		—	68,025,000	68,025,000
Other long-term investments		47,368,000	708,000	48,076,000
Capital assets, net		418,692,000	56,121,000	474,813,000
Other assets		—	—	—
Total noncurrent assets		499,381,000	131,224,000	630,605,000
Total assets		657,737,000	193,223,000	850,960,000
	Deferred Outflows of Resources			
Deferred outflows of resources		1,907,000	—	1,907,000
	Liabilities			
Current liabilities:				
Accounts payable		9,252,000	2,817,000	12,069,000
Accrued salaries and benefits payable		13,143,000	574,000	13,717,000
Accrued compensated absences, current portion		5,886,000	538,000	6,424,000
Unearned revenue		6,899,000	1,233,000	8,132,000
Capitalized lease obligations, current portion		—	786,000	786,000
Long-term debt obligations, current portion		5,702,000	—	5,702,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		325,000	—	325,000
Other liabilities		5,617,000	5,000,000	10,617,000
Total current liabilities		46,824,000	10,948,000	57,772,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		3,105,000	300,000	3,405,000
Unearned revenue		—	—	—
Grants refundable		5,737,000	—	5,737,000
Capitalized lease obligations, net of current portion		—	28,161,000	28,161,000
Long-term debt obligations, net of current portion		236,946,000	—	236,946,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		—	716,000	716,000
Other postemployment benefits obligation		3,355,000	4,284,000	7,639,000
Other liabilities		—	1,001,000	1,001,000
Total noncurrent liabilities		249,143,000	34,462,000	283,605,000
Total liabilities		295,967,000	45,410,000	341,377,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		243,513,000	27,174,000	270,687,000
Restricted for:				
Nonexpendable – endowments		—	69,272,000	69,272,000
Expendable:				
Scholarships and fellowships		199,000	3,239,000	3,438,000
Research		—	—	—
Loans		360,000	—	360,000
Capital projects		572,000	5,805,000	6,377,000
Debt service		2,391,000	—	2,391,000
Other		—	26,572,000	26,572,000
Unrestricted		116,642,000	15,751,000	132,393,000
Total net position		\$ 363,677,000	147,813,000	511,490,000

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$59,369,000)	\$ 83,023,000	9,380,000	(3,335,000)	89,068,000
Grants and contracts, noncapital:				
Federal	14,000	7,761,000	—	7,775,000
State	—	1,981,000	—	1,981,000
Local	—	—	—	—
Nongovernmental	—	2,432,000	—	2,432,000
Sales and services of educational activities	2,000	6,830,000	—	6,832,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,755,000)	21,233,000	36,179,000	—	57,412,000
Other operating revenues	5,825,000	3,075,000	—	8,900,000
Total operating revenues	<u>110,097,000</u>	<u>67,638,000</u>	<u>(3,335,000)</u>	<u>174,400,000</u>
Expenses:				
Operating expenses:				
Instruction	103,519,000	9,079,000	—	112,598,000
Research	1,113,000	4,759,000	—	5,872,000
Public service	175,000	409,000	—	584,000
Academic support	25,711,000	4,577,000	—	30,288,000
Student services	27,137,000	6,371,000	—	33,508,000
Institutional support	24,129,000	2,368,000	—	26,497,000
Operation and maintenance of plant	25,037,000	226,000	—	25,263,000
Student grants and scholarships	33,360,000	1,215,000	(2,150,000)	32,425,000
Auxiliary enterprise expenses	12,683,000	36,034,000	(3,335,000)	45,382,000
Depreciation and amortization	21,378,000	3,840,000	—	25,218,000
Total operating expenses	<u>274,242,000</u>	<u>68,878,000</u>	<u>(5,485,000)</u>	<u>337,635,000</u>
Operating loss	<u>(164,145,000)</u>	<u>(1,240,000)</u>	<u>2,150,000</u>	<u>(163,235,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	91,056,000	—	—	91,056,000
Federal financial aid grants, noncapital	41,844,000	—	—	41,844,000
State financial aid grants, noncapital	24,171,000	—	—	24,171,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	2,388,000	—	(1,930,000)	458,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,207,000	15,619,000	(220,000)	16,606,000
Investment income net	2,578,000	1,324,000	—	3,902,000
Endowment income	—	6,689,000	—	6,689,000
Interest expense	(9,756,000)	(1,644,000)	—	(11,400,000)
Other nonoperating revenues (expenses)	2,632,000	(3,427,000)	—	(795,000)
Net nonoperating revenues	<u>156,120,000</u>	<u>18,561,000</u>	<u>(2,150,000)</u>	<u>172,531,000</u>
Income (loss) before other revenues and expenses	<u>(8,025,000)</u>	<u>17,321,000</u>	<u>—</u>	<u>9,296,000</u>
State appropriations, capital				
Grants and gifts, capital	7,819,000	—	—	7,819,000
Additions to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(206,000)</u>	<u>17,321,000</u>	<u>—</u>	<u>17,115,000</u>
Net position:				
Net position at beginning of year, as previously reported	363,883,000	130,492,000	—	494,375,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>363,883,000</u>	<u>130,492,000</u>	<u>—</u>	<u>494,375,000</u>
Net position at end of year	\$ <u>363,677,000</u>	<u>147,813,000</u>	<u>—</u>	<u>511,490,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 83,196,000
Federal grants and contracts	14,000
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(39,304,000)
Payments to employees	(177,664,000)
Payments to students	(34,106,000)
Collections of student loans	745,000
Sales and services of educational activities	2,000
Sales and services of auxiliary enterprises	20,723,000
Other receipts	5,825,000
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Net cash used in operating activities	(140,569,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	91,056,000
Federal financial aid grants	41,828,000
State financial aid grants	24,301,000
Nongovernmental and other financial aid grants	2,388,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	5,000
Federal loan program receipts	64,457,000
Federal loan program disbursements	(64,385,000)
Monies received on behalf of others	16,031,000
Monies disbursed on behalf of others	(15,882,000)
Other noncapital financing activities	(8,607,000)
	<hr/>
Net cash provided by noncapital financing activities	151,192,000
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Cash flows from capital and related financing activities:	
Proceeds from capital debt	87,231,000
State appropriations	1,416,000
Capital grants and gifts	1,611,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(31,260,000)
Issuance of notes receivable	—
Transfers to escrow agent	(14,194,000)
Principal paid on capital debt and leases	(9,782,000)
Interest paid on capital debt and leases	(10,285,000)
Principal payments received on capital leases receivable	750,000
Interest payments received on capital leases receivable	1,408,000
Principal payments received on notes receivable	127,000
Interest payments received on notes receivable	6,000
	<hr/>
Net cash provided by capital and related financing activities	27,028,000
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CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 401,418,000
Purchases of investments	(439,942,000)
Investment income proceeds	1,343,000
Net cash used in investing activities	(37,181,000)
Net increase in cash and cash equivalents	470,000
Cash and cash equivalents at beginning of year	16,000
Cash and cash equivalents at end of year	\$ 486,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 486,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 486,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (164,145,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	21,378,000
Change in assets and liabilities:	
Accounts receivable, net	95,000
Student loans receivable, net	(299,000)
Prepaid expenses and other assets	(981,000)
Accounts payable	1,090,000
Accrued salaries and benefits	510,000
Accrued compensated absences	(188,000)
Unearned revenue	639,000
Depository accounts	—
Other postemployment benefits obligation	761,000
Other liabilities	571,000
Net cash used in operating activities	\$ (140,569,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 4,815,000
Change in accrued capital asset purchases	3,065,000
Amortization of bond premium and discount	(463,000)
Amortization of loss on debt refundings	1,907,000
Capital assets paid by the Office of the Chancellor	276,000

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,662,000
Payments from discretely presented component units for other than salaries	10,037,000
Payments to discretely presented component units for services, space, and programs	18,195,000
Gifts (cash or assets) from discretely presented component units	3,798,000
Accounts receivable from discretely presented component units	896,000
Accounts payable to discretely presented component units	(918,000)
Payments to the Office of the Chancellor for administrative activities	658,000
Payments to the Office of the Chancellor for state pro rata charges	740,000
Accounts receivable from the Office of the Chancellor	205,000
Accounts payable to the Office of the Chancellor	(1,080,000)
State lottery appropriations received	2,261,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Net Position

June 30, 2013

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 186,000	2,989,000	3,175,000
Short-term investments	152,226,000	38,744,000	190,970,000
Accounts receivable, net	8,401,000	12,525,000	20,926,000
Leases receivable, current portion	577,000	686,000	1,263,000
Notes receivable, current portion	98,000	34,000	132,000
Pledges receivable, net	—	1,096,000	1,096,000
Prepaid expenses and other assets	1,736,000	849,000	2,585,000
Total current assets	163,224,000	56,923,000	220,147,000
Noncurrent assets:			
Restricted cash and cash equivalents	14,000	9,701,000	9,715,000
Accounts receivable, net	1,249,000	—	1,249,000
Leases receivable, net of current portion	21,798,000	44,569,000	66,367,000
Notes receivable, net of current portion	603,000	360,000	963,000
Student loans receivable, net	5,110,000	—	5,110,000
Pledges receivable, net	—	5,458,000	5,458,000
Endowment investments	7,896,000	18,473,000	26,369,000
Other long-term investments	23,229,000	20,206,000	43,435,000
Capital assets, net	348,944,000	52,851,000	401,795,000
Other assets	—	402,000	402,000
Total noncurrent assets	408,843,000	152,020,000	560,863,000
Total assets	572,067,000	208,943,000	781,010,000
	Deferred Outflows of Resources		
Deferred outflows of resources	360,000	—	360,000
	Liabilities		
Current liabilities:			
Accounts payable	6,147,000	3,274,000	9,421,000
Accrued salaries and benefits payable	15,748,000	2,602,000	18,350,000
Accrued compensated absences, current portion	7,642,000	1,219,000	8,861,000
Unearned revenue	19,285,000	2,954,000	22,239,000
Capitalized lease obligations, current portion	851,000	476,000	1,327,000
Long-term debt obligations, current portion	4,734,000	1,818,000	6,552,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	992,000	1,249,000	2,241,000
Other liabilities	1,984,000	311,000	2,295,000
Total current liabilities	57,383,000	13,903,000	71,286,000
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,589,000	130,000	2,719,000
Unearned revenue	604,000	5,766,000	6,370,000
Grants refundable	6,344,000	—	6,344,000
Capitalized lease obligations, net of current portion	36,587,000	19,022,000	55,609,000
Long-term debt obligations, net of current portion	171,165,000	68,177,000	239,342,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	9,253,000	4,560,000	13,813,000
Other liabilities	68,000	1,698,000	1,766,000
Total noncurrent liabilities	226,610,000	99,353,000	325,963,000
Total liabilities	283,993,000	113,256,000	397,249,000
	Deferred Inflows of Resources		
Deferred inflows of resources	—	1,215,000	1,215,000
	Net Position		
Net position:			
Net investment in capital assets	159,064,000	8,613,000	167,677,000
Restricted for:			
Nonexpendable – endowments	7,896,000	17,434,000	25,330,000
Expendable:			
Scholarships and fellowships	926,000	3,684,000	4,610,000
Research	—	—	—
Loans	1,284,000	—	1,284,000
Capital projects	738,000	—	738,000
Debt service	—	—	—
Other	2,882,000	16,793,000	19,675,000
Unrestricted	115,644,000	47,948,000	163,592,000
Total net position	\$ 288,434,000	94,472,000	382,906,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$83,991,000)	\$ 117,260,000	9,421,000	—	126,681,000
Grants and contracts, noncapital:				
Federal	471,000	14,168,000	—	14,639,000
State	1,687,000	16,379,000	—	18,066,000
Local	492,000	942,000	—	1,434,000
Nongovernmental	284,000	2,305,000	—	2,589,000
Sales and services of educational activities	3,344,000	11,110,000	—	14,454,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,124,000)	17,221,000	32,355,000	(3,256,000)	46,320,000
Other operating revenues	9,838,000	4,158,000	—	13,996,000
Total operating revenues	<u>150,597,000</u>	<u>90,838,000</u>	<u>(3,256,000)</u>	<u>238,179,000</u>
Expenses:				
Operating expenses:				
Instruction	127,157,000	9,633,000	—	136,790,000
Research	796,000	7,209,000	—	8,005,000
Public service	3,625,000	28,504,000	—	32,129,000
Academic support	28,699,000	4,000	—	28,703,000
Student services	33,703,000	8,771,000	—	42,474,000
Institutional support	33,128,000	26,929,000	(3,731,000)	56,326,000
Operation and maintenance of plant	32,376,000	5,765,000	—	38,141,000
Student grants and scholarships	54,650,000	352,000	—	55,002,000
Auxiliary enterprise expenses	11,270,000	5,255,000	—	16,525,000
Depreciation and amortization	20,975,000	2,806,000	—	23,781,000
Total operating expenses	<u>346,379,000</u>	<u>95,228,000</u>	<u>(3,731,000)</u>	<u>437,876,000</u>
Operating loss	<u>(195,782,000)</u>	<u>(4,390,000)</u>	<u>475,000</u>	<u>(199,697,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	105,752,000	—	—	105,752,000
Federal financial aid grants, noncapital	58,415,000	—	—	58,415,000
State financial aid grants, noncapital	35,611,000	—	—	35,611,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	578,000	8,611,000	(207,000)	8,982,000
Investment income net	2,423,000	4,350,000	—	6,773,000
Endowment income	47,000	—	—	47,000
Interest expense	(11,755,000)	(4,447,000)	—	(16,202,000)
Other nonoperating revenues (expenses)	3,016,000	(4,221,000)	(11,000)	(1,216,000)
Net nonoperating revenues	<u>194,087,000</u>	<u>4,293,000</u>	<u>(218,000)</u>	<u>198,162,000</u>
Loss before other revenues and expenses	<u>(1,695,000)</u>	<u>(97,000)</u>	<u>257,000</u>	<u>(1,535,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	6,491,000	296,000	(257,000)	6,530,000
Additions to permanent endowments	20,000	1,128,000	—	1,148,000
Increase in net position	<u>4,816,000</u>	<u>1,327,000</u>	<u>—</u>	<u>6,143,000</u>
Net position:				
Net position at beginning of year, as previously reported	283,618,000	98,441,000	—	382,059,000
Restatements	—	(5,296,000)	—	(5,296,000)
Net position at beginning of year, as restated	<u>283,618,000</u>	<u>93,145,000</u>	<u>—</u>	<u>376,763,000</u>
Net position at end of year	<u>\$ 288,434,000</u>	<u>94,472,000</u>	<u>—</u>	<u>382,906,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 113,922,000
Federal grants and contracts	571,000
State grants and contracts	601,000
Local grants and contracts	492,000
Nongovernmental grants and contracts	415,000
Payments to suppliers	(55,202,000)
Payments to employees	(214,508,000)
Payments to students	(54,616,000)
Collections of student loans	5,000
Sales and services of educational activities	3,344,000
Sales and services of auxiliary enterprises	17,276,000
Other receipts	9,483,000
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Net cash used in operating activities	(178,217,000)
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Cash flows from noncapital financing activities:	
State appropriations	105,752,000
Federal financial aid grants	58,396,000
State financial aid grants	35,611,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	312,000
Federal loan program receipts	110,678,000
Federal loan program disbursements	(110,684,000)
Monies received on behalf of others	16,396,000
Monies disbursed on behalf of others	(16,421,000)
Other noncapital financing activities	2,634,000
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Net cash provided by noncapital financing activities	202,674,000
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Cash flows from capital and related financing activities:	
Proceeds from capital debt	2,007,000
State appropriations	120,000
Capital grants and gifts	2,729,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(12,681,000)
Issuance of notes receivable	—
Transfers to escrow agent	(1,993,000)
Principal paid on capital debt and leases	(5,339,000)
Interest paid on capital debt and leases	(10,825,000)
Principal payments received on capital leases receivable	596,000
Interest payments received on capital leases receivable	1,174,000
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
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Net cash used in capital and related financing activities	(24,212,000)
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CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 510,000,000
Purchases of investments	(511,736,000)
Investment income proceeds	1,308,000
Net cash used in investing activities	(428,000)
Net decrease in cash and cash equivalents	(183,000)
Cash and cash equivalents at beginning of year	383,000
Cash and cash equivalents at end of year	\$ 200,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 186,000
Restricted cash and cash equivalents	14,000
Total cash and cash equivalents at end of year	\$ 200,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (195,782,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	20,975,000
Change in assets and liabilities:	
Accounts receivable, net	(1,029,000)
Student loans receivable, net	1,000
Prepaid expenses and other assets	(324,000)
Accounts payable	(553,000)
Accrued salaries and benefits	194,000
Accrued compensated absences	286,000
Unearned revenue	(3,455,000)
Depository accounts	—
Other postemployment benefits obligation	1,488,000
Other liabilities	(18,000)
Net cash used in operating activities	\$ (178,217,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 641,000
Change in accrued capital asset purchases	411,000
Amortization of bond premium and discount	(954,000)
Capital assets paid by the Office of the Chancellor	52,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,815,000
Payments from discretely presented component units for other than salaries	4,103,000
Payments to discretely presented component units for services, space, and programs	3,122,000
Gifts in kind from discretely presented component units	36,000
Gifts (cash or assets) from discretely presented component units	464,000
Accounts receivable from discretely presented component units	1,231,000
Accounts payable to discretely presented component units	(393,000)
Other amounts payable to discretely presented component units	(978,000)
Payments to the Office of the Chancellor for administrative activities	331,000
Payments to the Office of the Chancellor for state pro rata charges	1,274,000
Accounts receivable from the Office of the Chancellor	172,000
State lottery appropriations received	2,429,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Net Position

June 30, 2013

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 17,000	4,699,000	4,716,000
Short-term investments	82,106,000	13,850,000	95,956,000
Accounts receivable, net	2,492,000	3,633,000	6,125,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	240,000	240,000
Prepaid expenses and other assets	1,288,000	53,000	1,341,000
Total current assets	<u>85,903,000</u>	<u>22,475,000</u>	<u>108,378,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,960,000	—	1,960,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,047,000	—	1,047,000
Pledges receivable, net	—	444,000	444,000
Endowment investments	—	21,313,000	21,313,000
Other long-term investments	—	4,967,000	4,967,000
Capital assets, net	332,449,000	6,461,000	338,910,000
Other assets	—	8,000	8,000
Total noncurrent assets	<u>335,456,000</u>	<u>33,193,000</u>	<u>368,649,000</u>
Total assets	<u>421,359,000</u>	<u>55,668,000</u>	<u>477,027,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>800,000</u>	<u>—</u>	<u>800,000</u>
Liabilities			
Current liabilities:			
Accounts payable	2,236,000	1,852,000	4,088,000
Accrued salaries and benefits payable	9,455,000	474,000	9,929,000
Accrued compensated absences, current portion	4,797,000	112,000	4,909,000
Unearned revenue	5,242,000	—	5,242,000
Capitalized lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	3,754,000	—	3,754,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	2,856,000	1,424,000	4,280,000
Total current liabilities	<u>28,340,000</u>	<u>3,862,000</u>	<u>32,202,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,003,000	159,000	3,162,000
Unearned revenue	—	499,000	499,000
Grants refundable	1,538,000	—	1,538,000
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	109,678,000	—	109,678,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	170,000	—	170,000
Other postemployment benefits obligation	2,773,000	7,938,000	10,711,000
Other liabilities	—	1,770,000	1,770,000
Total noncurrent liabilities	<u>117,162,000</u>	<u>10,366,000</u>	<u>127,528,000</u>
Total liabilities	<u>145,502,000</u>	<u>14,228,000</u>	<u>159,730,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	220,613,000	6,461,000	227,074,000
Restricted for:			
Nonexpendable – endowments	—	17,956,000	17,956,000
Expendable:			
Scholarships and fellowships	424,000	4,539,000	4,963,000
Research	—	—	—
Loans	560,000	—	560,000
Capital projects	1,031,000	—	1,031,000
Debt service	—	—	—
Other	—	6,394,000	6,394,000
Unrestricted	54,029,000	6,090,000	60,119,000
Total net position	<u>\$ 276,657,000</u>	<u>41,440,000</u>	<u>318,097,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$47,039,000)	\$ 85,314,000	1,626,000	—	86,940,000
Grants and contracts, noncapital:				
Federal	—	14,407,000	—	14,407,000
State	—	6,605,000	—	6,605,000
Local	—	—	—	—
Nongovernmental	—	625,000	—	625,000
Sales and services of educational activities	344,000	—	—	344,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	14,959,000	4,484,000	—	19,443,000
Other operating revenues	6,443,000	2,200,000	—	8,643,000
Total operating revenues	<u>107,060,000</u>	<u>29,947,000</u>	<u>—</u>	<u>137,007,000</u>
Expenses:				
Operating expenses:				
Instruction	81,330,000	1,268,000	—	82,598,000
Research	447,000	8,280,000	—	8,727,000
Public service	1,312,000	5,488,000	—	6,800,000
Academic support	19,012,000	501,000	—	19,513,000
Student services	22,834,000	9,014,000	(553,000)	31,295,000
Institutional support	27,287,000	3,805,000	—	31,092,000
Operation and maintenance of plant	19,539,000	—	—	19,539,000
Student grants and scholarships	56,172,000	1,666,000	553,000	58,391,000
Auxiliary enterprise expenses	7,997,000	2,409,000	—	10,406,000
Depreciation and amortization	18,656,000	498,000	—	19,154,000
Total operating expenses	<u>254,586,000</u>	<u>32,929,000</u>	<u>—</u>	<u>287,515,000</u>
Operating loss	<u>(147,526,000)</u>	<u>(2,982,000)</u>	<u>—</u>	<u>(150,508,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	72,303,000	—	—	72,303,000
Federal financial aid grants, noncapital	44,481,000	—	—	44,481,000
State financial aid grants, noncapital	22,654,000	—	—	22,654,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	88,000	—	—	88,000
Gifts, noncapital	82,000	1,876,000	—	1,958,000
Investment income net	662,000	533,000	—	1,195,000
Endowment income	—	2,273,000	—	2,273,000
Interest expense	(5,879,000)	—	—	(5,879,000)
Other nonoperating revenues (expenses)	1,975,000	(1,168,000)	2,014,000	2,821,000
Net nonoperating revenues	<u>136,366,000</u>	<u>3,514,000</u>	<u>2,014,000</u>	<u>141,894,000</u>
Income (loss) before other revenues and expenses	<u>(11,160,000)</u>	<u>532,000</u>	<u>2,014,000</u>	<u>(8,614,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,100,000	—	(2,014,000)	86,000
Additions to permanent endowments	—	442,000	—	442,000
Increase (decrease) in net position	<u>(9,060,000)</u>	<u>974,000</u>	<u>—</u>	<u>(8,086,000)</u>
Net position:				
Net position at beginning of year, as previously reported	285,717,000	40,466,000	—	326,183,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>285,717,000</u>	<u>40,466,000</u>	<u>—</u>	<u>326,183,000</u>
Net position at end of year	\$ <u>276,657,000</u>	<u>41,440,000</u>	<u>—</u>	<u>318,097,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 84,516,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(33,729,000)
Payments to employees	(147,206,000)
Payments to students	(56,172,000)
Collections of student loans	—
Sales and services of educational activities	344,000
Sales and services of auxiliary enterprises	14,987,000
Other receipts	6,612,000
	<hr/>
Net cash used in operating activities	(130,648,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	72,303,000
Federal financial aid grants	44,646,000
State financial aid grants	22,654,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	87,000
Gifts and grants received for other than capital purposes	82,000
Federal loan program receipts	150,000
Federal loan program disbursements	(154,000)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Other noncapital financing activities	2,046,000
	<hr/>
Net cash provided by noncapital financing activities	141,814,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	6,746,000
State appropriations	2,916,000
Capital grants and gifts	86,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(4,146,000)
Issuance of notes receivable	—
Transfers to escrow agent	(6,709,000)
Principal paid on capital debt and leases	(7,851,000)
Interest paid on capital debt and leases	(4,938,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(13,896,000)
	<hr/>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 300,230,000
Purchases of investments	(298,249,000)
Investment income proceeds	748,000
	2,729,000
Net cash provided by investing activities	2,729,000
Net decrease in cash and cash equivalents	(1,000)
Cash and cash equivalents at beginning of year	18,000
Cash and cash equivalents at end of year	\$ 17,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 17,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 17,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (147,526,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,656,000
Change in assets and liabilities:	
Accounts receivable, net	52,000
Student loans receivable, net	—
Prepaid expenses and other assets	(29,000)
Accounts payable	(523,000)
Accrued salaries and benefits	284,000
Accrued compensated absences	(1,130,000)
Unearned revenue	(741,000)
Depository accounts	—
Other postemployment benefits obligation	644,000
Other liabilities	(335,000)
Net cash used in operating activities	\$ (130,648,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 2,014,000
Change in accrued capital asset purchases	(105,000)
Amortization of bond premium and discount	(384,000)
Amortization of loss on debt refundings	(446,000)
Capital assets paid by the Office of the Chancellor	86,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,120,000
Payments from discretely presented component units for other than salaries	6,335,000
Payments to discretely presented component units for services, space, and programs	1,489,000
Gifts in kind from discretely presented component units	2,014,000
Accounts receivable from discretely presented component units	945,000
Accounts payable to discretely presented component units	(105,000)
Payments to the Office of the Chancellor for administrative activities	115,000
Payments to the Office of the Chancellor for state pro rata charges	489,000
Accounts receivable from the Office of the Chancellor	220,000
State lottery appropriations received	1,574,000

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Net Position

June 30, 2013

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 21,000	7,496,000	7,517,000
Short-term investments	249,540,000	29,087,000	278,627,000
Accounts receivable, net	8,914,000	63,650,000	72,564,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	40,000	40,000
Pledges receivable, net	—	5,678,000	5,678,000
Prepaid expenses and other assets	1,349,000	7,187,000	8,536,000
Total current assets	259,824,000	113,138,000	372,962,000
Noncurrent assets:			
Restricted cash and cash equivalents	—	107,000	107,000
Accounts receivable, net	27,365,000	6,637,000	34,002,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	8,578,000	8,578,000
Student loans receivable, net	7,092,000	—	7,092,000
Pledges receivable, net	—	10,787,000	10,787,000
Endowment investments	—	162,007,000	162,007,000
Other long-term investments	70,904,000	69,839,000	140,743,000
Capital assets, net	500,897,000	141,866,000	642,763,000
Other assets	4,837,000	5,698,000	10,535,000
Total noncurrent assets	611,095,000	405,519,000	1,016,614,000
Total assets	870,919,000	518,657,000	1,389,576,000
Deferred Outflows of Resources			
Deferred outflows of resources	2,941,000	663,000	3,604,000
Liabilities			
Current liabilities:			
Accounts payable	35,797,000	9,285,000	45,082,000
Accrued salaries and benefits payable	21,044,000	4,567,000	25,611,000
Accrued compensated absences, current portion	6,872,000	3,540,000	10,412,000
Unearned revenue	15,460,000	6,811,000	22,271,000
Capitalized lease obligations, current portion	1,373,000	46,000	1,419,000
Long-term debt obligations, current portion	6,925,000	2,519,000	9,444,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	189,000	—	189,000
Other liabilities	4,647,000	58,939,000	63,586,000
Total current liabilities	92,307,000	85,707,000	178,014,000
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	9,853,000	—	9,853,000
Unearned revenue	—	—	—
Grants refundable	7,769,000	—	7,769,000
Capitalized lease obligations, net of current portion	31,743,000	51,000	31,794,000
Long-term debt obligations, net of current portion	217,418,000	103,682,000	321,100,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	2,274,000	2,274,000
Depository accounts	13,000	107,000	120,000
Other postemployment benefits obligation	5,085,000	13,981,000	19,066,000
Other liabilities	5,703,000	7,680,000	13,383,000
Total noncurrent liabilities	277,584,000	127,775,000	405,359,000
Total liabilities	369,891,000	213,482,000	583,373,000
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	295,266,000	36,326,000	331,592,000
Restricted for:			
Nonexpendable – endowments	—	105,688,000	105,688,000
Expendable:			
Scholarships and fellowships	182,000	25,796,000	25,978,000
Research	—	869,000	869,000
Loans	90,000	—	90,000
Capital projects	16,935,000	2,431,000	19,366,000
Debt service	—	—	—
Other	—	91,851,000	91,851,000
Unrestricted	191,496,000	42,877,000	234,373,000
Total net position	\$ 503,969,000	305,838,000	809,807,000

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$73,329,000)	\$ 185,338,000	39,069,000	—	224,407,000
Grants and contracts, noncapital:				
Federal	762,000	83,916,000	—	84,678,000
State	1,416,000	8,066,000	—	9,482,000
Local	—	1,943,000	—	1,943,000
Nongovernmental	3,000	14,660,000	—	14,663,000
Sales and services of educational activities	17,053,000	4,141,000	—	21,194,000
Sales and services of auxiliary enterprises (net of scholarship refund of \$5,498,000)	26,020,000	67,968,000	—	93,988,000
Other operating revenues	16,531,000	16,001,000	—	32,532,000
Total operating revenues	<u>247,123,000</u>	<u>235,764,000</u>	<u>—</u>	<u>482,887,000</u>
Expenses:				
Operating expenses:				
Instruction	155,913,000	36,924,000	—	192,837,000
Research	2,607,000	49,482,000	—	52,089,000
Public service	4,087,000	44,835,000	(4,456,000)	44,466,000
Academic support	45,107,000	14,013,000	(1,223,000)	57,897,000
Student services	70,137,000	3,031,000	(2,067,000)	71,101,000
Institutional support	29,002,000	18,755,000	—	47,757,000
Operation and maintenance of plant	39,817,000	6,414,000	—	46,231,000
Student grants and scholarships	68,188,000	7,886,000	(7,734,000)	68,340,000
Auxiliary enterprise expenses	24,800,000	63,204,000	—	88,004,000
Depreciation and amortization	27,526,000	7,848,000	—	35,374,000
Total operating expenses	<u>467,184,000</u>	<u>252,392,000</u>	<u>(15,480,000)</u>	<u>704,096,000</u>
Operating loss	<u>(220,061,000)</u>	<u>(16,628,000)</u>	<u>15,480,000</u>	<u>(221,209,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	127,227,000	—	—	127,227,000
Federal financial aid grants, noncapital	48,324,000	—	—	48,324,000
State financial aid grants, noncapital	30,737,000	—	—	30,737,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7,734,000	—	(7,734,000)	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Gifts, noncapital	10,922,000	44,995,000	(10,919,000)	44,998,000
Investment income net	1,900,000	2,204,000	—	4,104,000
Endowment income	—	14,009,000	—	14,009,000
Interest expense	(6,989,000)	(4,061,000)	—	(11,050,000)
Other nonoperating revenues (expenses)	5,440,000	(8,636,000)	6,687,000	3,491,000
Net nonoperating revenues	<u>225,295,000</u>	<u>48,511,000</u>	<u>(11,966,000)</u>	<u>261,840,000</u>
Income before other revenues and expenses	5,234,000	31,883,000	3,514,000	40,631,000
State appropriations, capital	2,583,000	—	—	2,583,000
Grants and gifts, capital	3,591,000	397,000	(3,514,000)	474,000
Additions to permanent endowments	—	8,915,000	—	8,915,000
Increase in net position	<u>11,408,000</u>	<u>41,195,000</u>	<u>—</u>	<u>52,603,000</u>
Net position:				
Net position at beginning of year, as previously reported	492,561,000	266,741,000	—	759,302,000
Restatements	—	(2,098,000)	—	(2,098,000)
Net position at beginning of year, as restated	<u>492,561,000</u>	<u>264,643,000</u>	<u>—</u>	<u>757,204,000</u>
Net position at end of year	<u>\$ 503,969,000</u>	<u>305,838,000</u>	<u>—</u>	<u>809,807,000</u>

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 185,720,000
Federal grants and contracts	612,000
State grants and contracts	1,416,000
Local grants and contracts	—
Nongovernmental grants and contracts	3,000
Payments to suppliers	(87,147,000)
Payments to employees	(279,135,000)
Payments to students	(68,188,000)
Collections of student loans	—
Sales and services of educational activities	14,336,000
Sales and services of auxiliary enterprises	25,130,000
Other receipts	16,475,000
	(190,778,000)
Cash flows from noncapital financing activities:	
State appropriations	127,227,000
Federal financial aid grants	48,324,000
State financial aid grants	30,737,000
Nongovernmental and other financial aid grants	7,735,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	10,922,000
Federal loan program receipts	120,575,000
Federal loan program disbursements	(120,304,000)
Monies received on behalf of others	20,452,000
Monies disbursed on behalf of others	(13,365,000)
Other noncapital financing activities	5,312,000
	237,615,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	34,905,000
State appropriations	32,631,000
Capital grants and gifts	276,000
Proceeds from sale of capital assets	55,000
Acquisition of capital assets	(74,608,000)
Issuance of notes receivable	—
Transfers to escrow agent	(2,889,000)
Principal paid on capital debt and leases	(6,074,000)
Interest paid on capital debt and leases	(10,757,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	(26,461,000)

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 607,582,000
Purchases of investments	(634,421,000)
Investment income proceeds	2,296,000
Net cash used in investing activities	(24,543,000)
Net decrease in cash and cash equivalents	(4,167,000)
Cash and cash equivalents at beginning of year	4,188,000
Cash and cash equivalents at end of year	\$ 21,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 21,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 21,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (220,061,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	27,526,000
Change in assets and liabilities:	
Accounts receivable, net	(176,000)
Student loans receivable, net	—
Prepaid expenses and other assets	(3,793,000)
Accounts payable	5,598,000
Accrued salaries and benefits	247,000
Accrued compensated absences	964,000
Unearned revenue	(729,000)
Depository accounts	—
Other postemployment benefits obligation	959,000
Other liabilities	(1,313,000)
Net cash used in operating activities	\$ (190,778,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 3,315,000
Acquisition of capital assets through capital lease	370,000
Change in accrued capital asset purchases	16,481,000
Amortization of bond premium and discount	(800,000)
Amortization of loss on debt refundings	1,457,000
Capital assets paid by the Office of the Chancellor	1,959,000

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,251,000
Payments from discretely presented component units for other than salaries	11,407,000
Payments to discretely presented component units for services, space, and programs	10,338,000
Gifts in kind from discretely presented component units	3,304,000
Gifts (cash or assets) from discretely presented component units	18,864,000
Accounts receivable from discretely presented component units	1,531,000
Accounts payable to discretely presented component units	(736,000)
Other amounts payable to discretely presented component units	(5,845,000)
Payments to the Office of the Chancellor for administrative activities	1,430,000
Payments to the Office of the Chancellor for state pro rata charges	923,000
Accounts receivable from the Office of the Chancellor	30,000
Accounts receivable from campuses other than the Office of the Chancellor	1,000
State lottery appropriations received	2,952,000

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 11,000	1,797,000	1,808,000
Short-term investments		172,866,000	18,979,000	191,845,000
Accounts receivable, net		8,549,000	3,491,000	12,040,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	107,000	107,000
Pledges receivable, net		—	387,000	387,000
Prepaid expenses and other assets		2,629,000	237,000	2,866,000
Total current assets		184,055,000	24,998,000	209,053,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	—	—
Accounts receivable, net		718,000	—	718,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	15,000	15,000
Student loans receivable, net		8,633,000	—	8,633,000
Pledges receivable, net		—	428,000	428,000
Endowment investments		2,686,000	38,583,000	41,269,000
Other long-term investments		18,292,000	29,269,000	47,561,000
Capital assets, net		547,762,000	2,429,000	550,191,000
Other assets		—	155,000	155,000
Total noncurrent assets		578,091,000	70,879,000	648,970,000
Total assets		762,146,000	95,877,000	858,023,000
	Deferred Outflows of Resources			
Deferred outflows of resources		923,000	—	923,000
	Liabilities			
Current liabilities:				
Accounts payable		8,661,000	890,000	9,551,000
Accrued salaries and benefits payable		20,659,000	162,000	20,821,000
Accrued compensated absences, current portion		11,332,000	85,000	11,417,000
Unearned revenue		26,291,000	251,000	26,542,000
Capitalized lease obligations, current portion		223,000	—	223,000
Long-term debt obligations, current portion		6,450,000	—	6,450,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		2,139,000	—	2,139,000
Other liabilities		4,372,000	2,029,000	6,401,000
Total current liabilities		80,127,000	3,417,000	83,544,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		5,536,000	265,000	5,801,000
Unearned revenue		—	326,000	326,000
Grants refundable		9,109,000	—	9,109,000
Capitalized lease obligations, net of current portion		642,000	—	642,000
Long-term debt obligations, net of current portion		235,530,000	—	235,530,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		894,000	—	894,000
Other postemployment benefits obligation		9,970,000	—	9,970,000
Other liabilities		1,025,000	153,000	1,178,000
Total noncurrent liabilities		262,706,000	744,000	263,450,000
Total liabilities		342,833,000	4,161,000	346,994,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		305,840,000	2,429,000	308,269,000
Restricted for:				
Nonexpendable – endowments		2,686,000	38,583,000	41,269,000
Expendable:				
Scholarships and fellowships		—	10,238,000	10,238,000
Research		—	11,934,000	11,934,000
Loans		453,000	—	453,000
Capital projects		644,000	6,369,000	7,013,000
Debt service		—	—	—
Other		—	214,000	214,000
Unrestricted		110,613,000	21,949,000	132,562,000
Total net position		\$ 420,236,000	91,716,000	511,952,000

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$56,153,000)	\$ 165,424,000	6,163,000	—	171,587,000
Grants and contracts, noncapital:				
Federal	38,113,000	72,000	—	38,185,000
State	3,450,000	615,000	—	4,065,000
Local	3,040,000	16,000	—	3,056,000
Nongovernmental	2,882,000	960,000	—	3,842,000
Sales and services of educational activities	699,000	—	—	699,000
Sales and services of auxiliary enterprises (net of scholarship allowance of \$0)	43,928,000	11,077,000	—	55,005,000
Other operating revenues	8,717,000	1,071,000	—	9,788,000
Total operating revenues	<u>266,253,000</u>	<u>19,974,000</u>	<u>—</u>	<u>286,227,000</u>
Expenses:				
Operating expenses:				
Instruction	159,256,000	208,000	—	159,464,000
Research	17,191,000	359,000	—	17,550,000
Public service	20,239,000	3,918,000	—	24,157,000
Academic support	39,195,000	1,970,000	—	41,165,000
Student services	31,670,000	5,544,000	(1,068,000)	36,146,000
Institutional support	31,344,000	2,150,000	—	33,494,000
Operation and maintenance of plant	33,087,000	—	—	33,087,000
Student grants and scholarships	65,047,000	1,315,000	—	66,362,000
Auxiliary enterprise expenses	26,313,000	4,518,000	—	30,831,000
Depreciation and amortization	28,085,000	771,000	—	28,856,000
Total operating expenses	<u>451,427,000</u>	<u>20,753,000</u>	<u>(1,068,000)</u>	<u>471,112,000</u>
Operating loss	<u>(185,174,000)</u>	<u>(779,000)</u>	<u>1,068,000</u>	<u>(184,885,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	109,341,000	—	—	109,341,000
Federal financial aid grants, noncapital	50,596,000	—	—	50,596,000
State financial aid grants, noncapital	23,239,000	—	—	23,239,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7,000	—	—	7,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,343,000	2,977,000	(1,068,000)	3,252,000
Investment income net	1,510,000	7,220,000	—	8,730,000
Endowment income	11,000	—	—	11,000
Interest expense	(12,156,000)	—	—	(12,156,000)
Other nonoperating revenues (expenses)	3,288,000	(2,634,000)	—	654,000
Net nonoperating revenues	<u>177,179,000</u>	<u>7,563,000</u>	<u>(1,068,000)</u>	<u>183,674,000</u>
Income (loss) before other revenues and expenses	<u>(7,995,000)</u>	<u>6,784,000</u>	<u>—</u>	<u>(1,211,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	51,000	25,000	—	76,000
Additions to permanent endowments	—	1,031,000	—	1,031,000
Increase (decrease) in net position	<u>(7,944,000)</u>	<u>7,840,000</u>	<u>—</u>	<u>(104,000)</u>
Net position:				
Net position at beginning of year, as previously reported	428,180,000	83,876,000	—	512,056,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>428,180,000</u>	<u>83,876,000</u>	<u>—</u>	<u>512,056,000</u>
Net position at end of year	\$ <u>420,236,000</u>	<u>91,716,000</u>	<u>—</u>	<u>511,952,000</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 165,308,000
Federal grants and contracts	39,515,000
State grants and contracts	4,024,000
Local grants and contracts	2,880,000
Nongovernmental grants and contracts	3,198,000
Payments to suppliers	(75,099,000)
Payments to employees	(279,769,000)
Payments to students	(65,048,000)
Collections of student loans	5,000
Sales and services of educational activities	699,000
Sales and services of auxiliary enterprises	43,383,000
Other receipts	9,683,000
	(151,221,000)
Cash flows from noncapital financing activities:	
State appropriations	109,341,000
Federal financial aid grants	50,595,000
State financial aid grants	23,239,000
Nongovernmental and other financial aid grants	7,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,343,000
Federal loan program receipts	122,060,000
Federal loan program disbursements	(122,113,000)
Monies received on behalf of others	2,771,000
Monies disbursed on behalf of others	(3,220,000)
Other noncapital financing activities	14,952,000
	198,975,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	6,326,000
State appropriations	1,851,000
Capital grants and gifts	11,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(11,955,000)
Issuance of notes receivable	—
Transfers to escrow agent	(6,081,000)
Principal paid on capital debt and leases	(6,365,000)
Interest paid on capital debt and leases	(11,225,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	(27,438,000)

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 635,461,000
Purchases of investments	(657,218,000)
Investment income proceeds	1,441,000
Net cash used in investing activities	(20,316,000)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	11,000
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
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (185,174,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	28,085,000
Change in assets and liabilities:	
Accounts receivable, net	2,505,000
Student loans receivable, net	4,000
Prepaid expenses and other assets	3,000
Accounts payable	2,080,000
Accrued salaries and benefits	85,000
Accrued compensated absences	(1,169,000)
Unearned revenue	(148,000)
Depository accounts	—
Other postemployment benefits obligation	2,289,000
Other liabilities	219,000
Net cash used in operating activities	\$ (151,221,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 40,000
Change in accrued capital asset purchases	(770,000)
Amortization of bond premium and discount	(668,000)
Amortization of loss on debt refundings	923,000
Capital assets paid by the Office of the Chancellor	205,000

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 367,000
Payments from discretely presented component units for other than salaries	4,625,000
Payments to discretely presented component units for services, space, and programs	7,422,000
Gifts (cash or assets) from discretely presented component units	1,145,000
Accounts receivable from discretely presented component units	170,000
Accounts payable to discretely presented component units	(141,000)
Payments to the Office of the Chancellor for administrative activities	429,000
Payments to the Office of the Chancellor for state pro rata charges	1,809,000
Accounts receivable from the Office of the Chancellor	268,000
Accounts receivable from campuses other than the Office of the Chancellor	83,000
State lottery appropriations received	2,624,000

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 1,025,000	33,919,000	34,944,000
Short-term investments		160,553,000	9,196,000	169,749,000
Accounts receivable, net		6,890,000	8,311,000	15,201,000
Leases receivable, current portion		161,000	455,000	616,000
Notes receivable, current portion		—	530,000	530,000
Pledges receivable, net		13,000	2,807,000	2,820,000
Prepaid expenses and other assets		2,271,000	1,030,000	3,301,000
Total current assets		170,913,000	56,248,000	227,161,000
Noncurrent assets:				
Restricted cash and cash equivalents		1,000	5,719,000	5,720,000
Accounts receivable, net		175,000	—	175,000
Leases receivable, net of current portion		644,000	—	644,000
Notes receivable, net of current portion		—	4,735,000	4,735,000
Student loans receivable, net		7,047,000	—	7,047,000
Pledges receivable, net		60,000	10,752,000	10,812,000
Endowment investments		1,586,000	92,668,000	94,254,000
Other long-term investments		38,179,000	24,244,000	62,423,000
Capital assets, net		421,583,000	19,020,000	440,603,000
Other assets		2,572,000	9,732,000	12,304,000
Total noncurrent assets		471,847,000	166,870,000	638,717,000
Total assets		642,760,000	223,118,000	865,878,000
	Deferred Outflows of Resources			
Deferred outflows of resources		8,664,000	—	8,664,000
	Liabilities			
Current liabilities:				
Accounts payable		16,222,000	4,792,000	21,014,000
Accrued salaries and benefits payable		19,739,000	1,955,000	21,694,000
Accrued compensated absences, current portion		5,483,000	1,758,000	7,241,000
Unearned revenue		23,182,000	5,808,000	28,990,000
Capitalized lease obligations, current portion		161,000	161,000	322,000
Long-term debt obligations, current portion		8,498,000	123,000	8,621,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		1,155,000	—	1,155,000
Other liabilities		4,643,000	1,505,000	6,148,000
Total current liabilities		79,083,000	16,102,000	95,185,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		7,209,000	350,000	7,559,000
Unearned revenue		7,363,000	1,100,000	8,463,000
Grants refundable		10,535,000	—	10,535,000
Capitalized lease obligations, net of current portion		644,000	644,000	1,288,000
Long-term debt obligations, net of current portion		317,294,000	2,732,000	320,026,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		125,000	828,000	953,000
Other postemployment benefits obligation		9,930,000	14,099,000	24,029,000
Other liabilities		371,000	757,000	1,128,000
Total noncurrent liabilities		353,471,000	20,510,000	373,981,000
Total liabilities		432,554,000	36,612,000	469,166,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		128,747,000	15,310,000	144,057,000
Restricted for:				
Nonexpendable – endowments		1,586,000	83,615,000	85,201,000
Expendable:				
Scholarships and fellowships		2,628,000	1,287,000	3,915,000
Research		—	—	—
Loans		5,324,000	—	5,324,000
Capital projects		—	710,000	710,000
Debt service		—	—	—
Other		—	57,273,000	57,273,000
Unrestricted		80,585,000	28,311,000	108,896,000
Total net position		\$ 218,870,000	186,506,000	405,376,000

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$73,116,000)	\$ 169,069,000	13,469,000	—	182,538,000
Grants and contracts, noncapital:				
Federal	—	27,918,000	—	27,918,000
State	—	10,608,000	—	10,608,000
Local	—	3,317,000	—	3,317,000
Nongovernmental	—	4,085,000	—	4,085,000
Sales and services of educational activities	4,578,000	—	—	4,578,000
Sales and services of auxiliary enterprises (net of scholarship allowance of \$5,350,000)	30,184,000	22,248,000	—	52,432,000
Other operating revenues	14,503,000	16,477,000	(1,141,000)	29,839,000
Total operating revenues	<u>218,334,000</u>	<u>98,122,000</u>	<u>(1,141,000)</u>	<u>315,315,000</u>
Expenses:				
Operating expenses:				
Instruction	152,720,000	22,303,000	(6,000)	175,017,000
Research	—	31,155,000	(217,000)	30,938,000
Public service	1,727,000	237,000	—	1,964,000
Academic support	35,250,000	9,870,000	—	45,120,000
Student services	51,778,000	14,297,000	—	66,075,000
Institutional support	35,281,000	7,644,000	(5,000)	42,920,000
Operation and maintenance of plant	31,384,000	1,405,000	—	32,789,000
Student grants and scholarships	34,366,000	4,953,000	(2,556,000)	36,763,000
Auxiliary enterprise expenses	21,598,000	23,759,000	—	45,357,000
Depreciation and amortization	24,159,000	1,623,000	—	25,782,000
Total operating expenses	<u>388,263,000</u>	<u>117,246,000</u>	<u>(2,784,000)</u>	<u>502,725,000</u>
Operating loss	<u>(169,929,000)</u>	<u>(19,124,000)</u>	<u>1,643,000</u>	<u>(187,410,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	94,193,000	—	—	94,193,000
Federal financial aid grants, noncapital	46,008,000	1,540,000	—	47,548,000
State financial aid grants, noncapital	20,638,000	1,333,000	—	21,971,000
Local financial aid grants, noncapital	—	233,000	—	233,000
Nongovernmental and other financial aid grants, noncapital	—	103,000	—	103,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	2,980,000	19,073,000	(2,628,000)	19,425,000
Investment income net	1,751,000	3,183,000	—	4,934,000
Endowment income	11,000	8,617,000	—	8,628,000
Interest expense	(14,359,000)	(133,000)	—	(14,492,000)
Other nonoperating revenues	970,000	6,047,000	1,141,000	8,158,000
Net nonoperating revenues	<u>152,192,000</u>	<u>39,996,000</u>	<u>(1,487,000)</u>	<u>190,701,000</u>
Income (loss) before other revenues and expenses	<u>(17,737,000)</u>	<u>20,872,000</u>	<u>156,000</u>	<u>3,291,000</u>
State appropriations, capital	1,711,000	—	—	1,711,000
Grants and gifts, capital	193,000	710,000	(156,000)	747,000
Additions (reduction) to permanent endowments	(227,000)	19,241,000	—	19,014,000
Increase (decrease) in net position	<u>(16,060,000)</u>	<u>40,823,000</u>	<u>—</u>	<u>24,763,000</u>
Net position:				
Net position at beginning of year, as previously reported	234,930,000	145,382,000	—	380,312,000
Restatements	—	301,000	—	301,000
Net position at beginning of year, as restated	<u>234,930,000</u>	<u>145,683,000</u>	<u>—</u>	<u>380,613,000</u>
Net position at end of year	\$ <u>218,870,000</u>	<u>186,506,000</u>	<u>—</u>	<u>405,376,000</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 171,020,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(79,123,000)
Payments to employees	(252,864,000)
Payments to students	(34,323,000)
Collections of student loans	3,000
Sales and services of educational activities	4,578,000
Sales and services of auxiliary enterprises	24,365,000
Other receipts	14,211,000
	<u>(152,133,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	94,193,000
Federal financial aid grants	44,047,000
State financial aid grants	20,638,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	2,997,000
Federal loan program receipts	105,056,000
Federal loan program disbursements	(103,916,000)
Monies received on behalf of others	14,141,000
Monies disbursed on behalf of others	(14,742,000)
Other noncapital financing activities	2,876,000
	<u>165,290,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	135,088,000
State appropriations	2,596,000
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(65,948,000)
Issuance of notes receivable	—
Transfers to escrow agent	(133,387,000)
Principal paid on capital debt and leases	(5,382,000)
Interest paid on capital debt and leases	(13,387,000)
Principal payments received on capital leases receivable	157,000
Interest payments received on capital leases receivable	23,000
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<u>(80,240,000)</u>

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 859,962,000
Purchases of investments	(794,403,000)
Investment income proceeds	1,724,000
	67,283,000
Net cash provided by investing activities	67,283,000
Net increase in cash and cash equivalents	200,000
Cash and cash equivalents at beginning of year	826,000
Cash and cash equivalents at end of year	\$ 1,026,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,025,000
Restricted cash and cash equivalents	1,000
Total cash and cash equivalents at end of year	\$ 1,026,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (169,929,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	24,159,000
Change in assets and liabilities:	
Accounts receivable, net	(578,000)
Student loans receivable, net	45,000
Prepaid expenses and other assets	(3,531,000)
Accounts payable	280,000
Accrued salaries and benefits	(825,000)
Accrued compensated absences	(739,000)
Unearned revenue	(4,564,000)
Depository accounts	—
Other postemployment benefits obligation	2,567,000
Other liabilities	982,000
Net cash used in operating activities	\$ (152,133,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 193,000
Change in accrued capital asset purchases	(1,428,000)
Gifts in kind	40,000
Amortization of bond premium and discount	537,000
Amortization of loss on debt refundings	2,463,000

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,134,000
Payments from discretely presented component units for other than salaries	4,964,000
Payments to discretely presented component units for services, space, and programs	13,763,000
Gifts (cash or assets) from discretely presented component units	2,785,000
Accounts receivable from discretely presented component units	1,186,000
Accounts payable to discretely presented component units	(97,000)
Payments to the Office of the Chancellor for administrative activities	424,000
Payments to the Office of the Chancellor for state pro rata charges	1,620,000
Accounts receivable from the Office of the Chancellor	56,000
State lottery appropriations received	2,507,000

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 16,000	24,496,000	24,512,000
Short-term investments		103,022,000	97,102,000	200,124,000
Accounts receivable, net		4,244,000	8,665,000	12,909,000
Leases receivable, current portion		—	—	—
Notes receivable, current portion		—	66,000	66,000
Pledges receivable, net		—	6,345,000	6,345,000
Prepaid expenses and other assets		3,072,000	5,207,000	8,279,000
Total current assets		<u>110,354,000</u>	<u>141,881,000</u>	<u>252,235,000</u>
Noncurrent assets:				
Restricted cash and cash equivalents		—	427,000	427,000
Accounts receivable, net		7,934,000	20,000	7,954,000
Leases receivable, net of current portion		—	—	—
Notes receivable, net of current portion		—	350,000	350,000
Student loans receivable, net		4,820,000	—	4,820,000
Pledges receivable, net		—	14,462,000	14,462,000
Endowment investments		3,594,000	180,602,000	184,196,000
Other long-term investments		64,704,000	26,220,000	90,924,000
Capital assets, net		764,982,000	24,723,000	789,705,000
Other assets		—	899,000	899,000
Total noncurrent assets		<u>846,034,000</u>	<u>247,703,000</u>	<u>1,093,737,000</u>
Total assets		<u>956,388,000</u>	<u>389,584,000</u>	<u>1,345,972,000</u>
	Deferred Outflows of Resources			
Deferred outflows of resources		<u>1,369,000</u>	—	<u>1,369,000</u>
	Liabilities			
Current liabilities:				
Accounts payable		12,160,000	4,870,000	17,030,000
Accrued salaries and benefits payable		15,835,000	820,000	16,655,000
Accrued compensated absences, current portion		5,600,000	926,000	6,526,000
Unearned revenue		16,233,000	6,183,000	22,416,000
Capitalized lease obligations, current portion		—	—	—
Long-term debt obligations, current portion		5,475,000	165,000	5,640,000
Claims liability for losses and loss adjustment expenses, current portion		—	15,000	15,000
Depository accounts, current portion		—	1,095,000	1,095,000
Other liabilities		5,361,000	439,000	5,800,000
Total current liabilities		<u>60,664,000</u>	<u>14,513,000</u>	<u>75,177,000</u>
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		5,864,000	141,000	6,005,000
Unearned revenue		—	—	—
Grants refundable		6,023,000	4,512,000	10,535,000
Capitalized lease obligations, net of current portion		—	—	—
Long-term debt obligations, net of current portion		436,495,000	2,625,000	439,120,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		1,460,000	6,094,000	7,554,000
Other postemployment benefits obligation		8,093,000	16,517,000	24,610,000
Other liabilities		28,000	8,975,000	9,003,000
Total noncurrent liabilities		<u>457,963,000</u>	<u>38,864,000</u>	<u>496,827,000</u>
Total liabilities		<u>518,627,000</u>	<u>53,377,000</u>	<u>572,004,000</u>
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		326,623,000	21,933,000	348,556,000
Restricted for:				
Nonexpendable – endowments		3,594,000	105,344,000	108,938,000
Expendable:				
Scholarships and fellowships		4,445,000	16,569,000	21,014,000
Research		—	6,447,000	6,447,000
Loans		3,025,000	—	3,025,000
Capital projects		3,238,000	18,418,000	21,656,000
Debt service		—	—	—
Other		220,000	94,344,000	94,564,000
Unrestricted		97,985,000	73,152,000	171,137,000
Total net position		<u>\$ 439,130,000</u>	<u>336,207,000</u>	<u>775,337,000</u>

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$39,056,000)	\$ 137,159,000	5,224,000	—	142,383,000
Grants and contracts, noncapital:				
Federal	—	13,344,000	—	13,344,000
State	—	3,078,000	—	3,078,000
Local	—	546,000	—	546,000
Nongovernmental	—	3,676,000	—	3,676,000
Sales and services of educational activities	2,007,000	—	—	2,007,000
Sales and services of auxiliary enterprises (net of scholarship allowance of \$3,609,000)	42,652,000	42,391,000	—	85,043,000
Other operating revenues	17,428,000	20,626,000	(2,229,000)	35,825,000
Total operating revenues	<u>199,246,000</u>	<u>88,885,000</u>	<u>(2,229,000)</u>	<u>285,902,000</u>
Expenses:				
Operating expenses:				
Instruction	127,100,000	2,064,000	(2,448,000)	126,716,000
Research	1,225,000	16,783,000	—	18,008,000
Public service	683,000	10,104,000	—	10,787,000
Academic support	30,200,000	9,386,000	(23,000)	39,563,000
Student services	39,023,000	12,759,000	(3,967,000)	47,815,000
Institutional support	30,975,000	16,364,000	(12,000)	47,327,000
Operation and maintenance of plant	26,309,000	4,238,000	(6,002,000)	24,545,000
Student grants and scholarships	13,245,000	2,176,000	—	15,421,000
Auxiliary enterprise expenses	26,227,000	38,893,000	(109,000)	65,011,000
Depreciation and amortization	40,039,000	2,172,000	—	42,211,000
Total operating expenses	<u>335,026,000</u>	<u>114,939,000</u>	<u>(12,561,000)</u>	<u>437,404,000</u>
Operating loss	<u>(135,780,000)</u>	<u>(26,054,000)</u>	<u>10,332,000</u>	<u>(151,502,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	88,103,000	—	—	88,103,000
Federal financial aid grants, noncapital	16,541,000	—	—	16,541,000
State financial aid grants, noncapital	12,266,000	—	—	12,266,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7,491,000	—	—	7,491,000
Other federal nonoperating grants, noncapital	1,134,000	—	—	1,134,000
Gifts, noncapital	6,390,000	17,715,000	(4,350,000)	19,755,000
Investment income net	1,357,000	5,001,000	—	6,358,000
Endowment income	25,000	17,859,000	—	17,884,000
Interest expense	(23,573,000)	(152,000)	—	(23,725,000)
Other nonoperating revenues (expenses)	8,392,000	(3,463,000)	—	4,929,000
Net nonoperating revenues	<u>118,126,000</u>	<u>36,960,000</u>	<u>(4,350,000)</u>	<u>150,736,000</u>
Income (loss) before other revenues and expenses	<u>(17,654,000)</u>	<u>10,906,000</u>	<u>5,982,000</u>	<u>(766,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	7,644,000	6,897,000	(5,982,000)	8,559,000
Additions to permanent endowments	12,000	2,196,000	—	2,208,000
Increase (decrease) in net position	<u>(9,998,000)</u>	<u>19,999,000</u>	<u>—</u>	<u>10,001,000</u>
Net position:				
Net position at beginning of year, as previously reported	449,128,000	316,208,000	—	765,336,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>449,128,000</u>	<u>316,208,000</u>	<u>—</u>	<u>765,336,000</u>
Net position at end of year	\$ <u>439,130,000</u>	\$ <u>336,207,000</u>	<u>—</u>	\$ <u>775,337,000</u>

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 136,576,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(69,100,000)
Payments to employees	(213,423,000)
Payments to students	(13,309,000)
Collections of student loans	60,000
Sales and services of educational activities	2,007,000
Sales and services of auxiliary enterprises	43,874,000
Other receipts	17,918,000
	<hr/>
Net cash used in operating activities	(95,397,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	88,103,000
Federal financial aid grants	16,482,000
State financial aid grants	12,266,000
Nongovernmental and other financial aid grants	7,491,000
Other federal nonoperating grants	1,134,000
Gifts and grants received for other than capital purposes	6,414,000
Federal loan program receipts	73,323,000
Federal loan program disbursements	(74,494,000)
Monies received on behalf of others	6,390,000
Monies disbursed on behalf of others	(5,961,000)
Other noncapital financing activities	10,369,000
	<hr/>
Net cash provided by noncapital financing activities	141,517,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	17,429,000
State appropriations	36,063,000
Capital grants and gifts	5,981,000
Proceeds from sale of capital assets	72,000
Acquisition of capital assets	(60,191,000)
Issuance of notes receivable	—
Transfers to escrow agent	(17,315,000)
Principal paid on capital debt and leases	(4,605,000)
Interest paid on capital debt and leases	(20,734,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(43,300,000)
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CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 478,493,000
Purchases of investments	(482,871,000)
Investment income proceeds	1,559,000
Net cash used in investing activities	<u>(2,819,000)</u>
Net increase in cash and cash equivalents	1,000
Cash and cash equivalents at beginning of year	<u>15,000</u>
Cash and cash equivalents at end of year	\$ <u><u>16,000</u></u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 16,000
Restricted cash and cash equivalents	<u>—</u>
Total cash and cash equivalents at end of year	\$ <u><u>16,000</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (135,780,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	40,039,000
Change in assets and liabilities:	
Accounts receivable, net	84,000
Student loans receivable, net	(20,000)
Prepaid expenses and other assets	(1,012,000)
Accounts payable	(1,101,000)
Accrued salaries and benefits	(66,000)
Accrued compensated absences	(398,000)
Unearned revenue	(315,000)
Depository accounts	—
Other postemployment benefits obligation	1,796,000
Other liabilities	<u>1,376,000</u>
Net cash used in operating activities	\$ <u><u>(95,397,000)</u></u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 1,662,000
Change in accrued capital asset purchases	(7,368,000)
Amortization of bond premium and discount	(1,686,000)
Amortization of loss on debt refundings	646,000
Capital assets paid by the Office of the Chancellor	(51,000)

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,453,000
Payments from discretely presented component units for other than salaries	6,934,000
Payments to discretely presented component units for services, space, and programs	5,186,000
Gifts in kind from discretely presented component units	534,000
Gifts (cash or assets) from discretely presented component units	10,116,000
Accounts receivable from discretely presented component units	1,748,000
Accounts payable to discretely presented component units	(1,936,000)
Payments to the Office of the Chancellor for administrative activities	224,000
Payments to the Office of the Chancellor for state pro rata charges	1,356,000
Accounts receivable from the Office of the Chancellor	4,000
State lottery appropriations received	1,860,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2013

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 7,000	4,328,000	4,335,000
Short-term investments	41,173,000	11,978,000	53,151,000
Accounts receivable, net	2,803,000	9,642,000	12,445,000
Leases receivable, current portion	670,000	—	670,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,044,000	1,044,000
Prepaid expenses and other assets	1,486,000	154,000	1,640,000
Total current assets	46,139,000	27,146,000	73,285,000
Noncurrent assets:			
Restricted cash and cash equivalents	—	100,000	100,000
Accounts receivable, net	279,000	—	279,000
Leases receivable, net of current portion	21,785,000	—	21,785,000
Notes receivable, net of current portion	—	1,739,000	1,739,000
Student loans receivable, net	145,000	501,000	646,000
Pledges receivable, net	—	2,270,000	2,270,000
Endowment investments	—	18,430,000	18,430,000
Other long-term investments	18,087,000	—	18,087,000
Capital assets, net	245,032,000	25,129,000	270,161,000
Other assets	—	64,000	64,000
Total noncurrent assets	285,328,000	48,233,000	333,561,000
Total assets	331,467,000	75,379,000	406,846,000
Deferred Outflows of Resources			
Deferred outflows of resources	146,000	—	146,000
Liabilities			
Current liabilities:			
Accounts payable	6,716,000	9,102,000	15,818,000
Accrued salaries and benefits payable	8,085,000	389,000	8,474,000
Accrued compensated absences, current portion	2,669,000	293,000	2,962,000
Unearned revenue	7,278,000	1,074,000	8,352,000
Capitalized lease obligations, current portion	1,547,000	3,000	1,550,000
Long-term debt obligations, current portion	2,198,000	670,000	2,868,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	1,638,000	420,000	2,058,000
Total current liabilities	30,131,000	11,951,000	42,082,000
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,280,000	—	2,280,000
Unearned revenue	—	—	—
Grants refundable	429,000	—	429,000
Capitalized lease obligations, net of current portion	1,499,000	6,000	1,505,000
Long-term debt obligations, net of current portion	107,834,000	22,368,000	130,202,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	677,000	—	677,000
Other postemployment benefits obligation	2,708,000	1,483,000	4,191,000
Other liabilities	—	—	—
Total noncurrent liabilities	115,427,000	23,857,000	139,284,000
Total liabilities	145,558,000	35,808,000	181,366,000
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	159,262,000	2,081,000	161,343,000
Restricted for:			
Nonexpendable – endowments	—	18,797,000	18,797,000
Expendable:			
Scholarships and fellowships	60,000	1,272,000	1,332,000
Research	—	—	—
Loans	29,000	—	29,000
Capital projects	1,912,000	321,000	2,233,000
Debt service	883,000	—	883,000
Other	51,000	4,908,000	4,959,000
Unrestricted	23,858,000	12,192,000	36,050,000
Total net position	\$ 186,055,000	39,571,000	225,626,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$21,858,000)	\$ 61,561,000	3,206,000	(860,000)	63,907,000
Grants and contracts, noncapital:				
Federal	14,000	6,274,000	—	6,288,000
State	—	662,000	—	662,000
Local	50,000	117,000	—	167,000
Nongovernmental	—	474,000	—	474,000
Sales and services of educational activities	50,000	2,378,000	—	2,428,000
Sales and services of auxiliary enterprises (net of scholarship allowance of \$0)	5,435,000	8,225,000	—	13,660,000
Other operating revenues	4,969,000	—	(40,000)	4,929,000
Total operating revenues	<u>72,079,000</u>	<u>21,336,000</u>	<u>(900,000)</u>	<u>92,515,000</u>
Expenses:				
Operating expenses:				
Instruction	54,544,000	1,906,000	(40,000)	56,410,000
Research	912,000	3,526,000	—	4,438,000
Public service	211,000	381,000	—	592,000
Academic support	19,307,000	2,444,000	(450,000)	21,301,000
Student services	13,531,000	4,243,000	—	17,774,000
Institutional support	18,892,000	4,817,000	(1,052,000)	22,657,000
Operation and maintenance of plant	13,321,000	—	—	13,321,000
Student grants and scholarships	27,722,000	1,029,000	(1,047,000)	27,704,000
Auxiliary enterprise expenses	2,653,000	5,155,000	—	7,808,000
Depreciation and amortization	11,824,000	1,331,000	—	13,155,000
Total operating expenses	<u>162,917,000</u>	<u>24,832,000</u>	<u>(2,589,000)</u>	<u>185,160,000</u>
Operating loss	<u>(90,838,000)</u>	<u>(3,496,000)</u>	<u>1,689,000</u>	<u>(92,645,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	50,323,000	—	—	50,323,000
Federal financial aid grants, noncapital	18,686,000	—	—	18,686,000
State financial aid grants, noncapital	8,979,000	—	—	8,979,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	76,000	—	—	76,000
Gifts, noncapital	3,441,000	2,870,000	(2,522,000)	3,789,000
Investment income net	1,498,000	193,000	—	1,691,000
Endowment income	—	1,741,000	—	1,741,000
Interest expense	(4,074,000)	(1,101,000)	—	(5,175,000)
Other nonoperating revenues	2,437,000	294,000	860,000	3,591,000
Net nonoperating revenues	<u>81,366,000</u>	<u>3,997,000</u>	<u>(1,662,000)</u>	<u>83,701,000</u>
Income (loss) before other revenues and expenses	<u>(9,472,000)</u>	<u>501,000</u>	<u>27,000</u>	<u>(8,944,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	33,000	—	(27,000)	6,000
Additions to permanent endowments	—	2,230,000	—	2,230,000
Increase (decrease) in net position	<u>(9,439,000)</u>	<u>2,731,000</u>	<u>—</u>	<u>(6,708,000)</u>
Net position:				
Net position at beginning of year, as previously reported	195,494,000	36,840,000	—	232,334,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>195,494,000</u>	<u>36,840,000</u>	<u>—</u>	<u>232,334,000</u>
Net position at end of year	<u>\$ 186,055,000</u>	<u>39,571,000</u>	<u>—</u>	<u>225,626,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 61,621,000
Federal grants and contracts	14,000
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	50,000
Payments to suppliers	(19,326,000)
Payments to employees	(99,251,000)
Payments to students	(27,870,000)
Collections of student loans	172,000
Sales and services of educational activities	50,000
Sales and services of auxiliary enterprises	5,435,000
Other receipts	4,033,000
	(75,072,000)
Cash flows from noncapital financing activities:	
State appropriations	50,323,000
Federal financial aid grants	18,599,000
State financial aid grants	8,979,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	76,000
Gifts and grants received for other than capital purposes	3,409,000
Federal loan program receipts	37,104,000
Federal loan program disbursements	(37,066,000)
Monies received on behalf of others	1,175,000
Monies disbursed on behalf of others	(1,223,000)
Other noncapital financing activities	2,547,000
	83,923,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	8,435,000
State appropriations	560,000
Capital grants and gifts	26,000
Proceeds from sale of capital assets	1,000
Acquisition of capital assets	(21,204,000)
Issuance of notes receivable	—
Transfers to escrow agent	(1,922,000)
Principal paid on capital debt and leases	(9,634,000)
Interest paid on capital debt and leases	(4,164,000)
Principal payments received on capital leases receivable	590,000
Interest payments received on capital leases receivable	1,134,000
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	(26,178,000)

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 243,286,000
Purchases of investments	(226,608,000)
Investment income proceeds	583,000
Net cash provided by investing activities	17,261,000
Net decrease in cash and cash equivalents	(66,000)
Cash and cash equivalents at beginning of year	73,000
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:	
Operating loss	\$ (90,838,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,824,000
Change in assets and liabilities:	
Accounts receivable, net	(876,000)
Student loans receivable, net	24,000
Prepaid expenses and other assets	(167,000)
Accounts payable	3,028,000
Accrued salaries and benefits	452,000
Accrued compensated absences	7,000
Unearned revenue	490,000
Depository accounts	—
Other postemployment benefits obligation	781,000
Other liabilities	203,000
Net cash used in operating activities	\$ (75,072,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 7,000
Acquisition of capital assets through capital lease	780,000
Change in accrued capital asset purchases	1,254,000
Gifts in kind	21,000
Amortization of bond premium and discount	(401,000)
Amortization of loss on debt refundings	196,000
Capital assets paid by the Office of the Chancellor	44,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,382,000
Payments from discretely presented component units for other than salaries	8,453,000
Payments to discretely presented component units for services, space, and programs	2,935,000
Accounts receivable from discretely presented component units	818,000
Accounts payable to discretely presented component units	(146,000)
Other amounts payable to discretely presented component units	(1,739,000)
Payments to the Office of the Chancellor for administrative activities	98,000
Payments to the Office of the Chancellor for state pro rata charges	450,000
Accounts receivable from the Office of the Chancellor	211,000
State lottery appropriations received	686,000

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Net Position

June 30, 2013

	Campus	Discretely presented component units	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 740,000	1,750,000	2,490,000
Short-term investments	76,504,000	4,150,000	80,654,000
Accounts receivable, net	2,681,000	225,000	2,906,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	610,000	610,000
Prepaid expenses and other assets	698,000	151,000	849,000
Total current assets	<u>80,623,000</u>	<u>6,886,000</u>	<u>87,509,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	58,000	58,000
Accounts receivable, net	—	—	—
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,838,000	—	1,838,000
Pledges receivable, net	—	400,000	400,000
Endowment investments	—	31,867,000	31,867,000
Other long-term investments	21,387,000	15,037,000	36,424,000
Capital assets, net	345,675,000	5,465,000	351,140,000
Other assets	—	1,227,000	1,227,000
Total noncurrent assets	<u>368,900,000</u>	<u>54,054,000</u>	<u>422,954,000</u>
Total assets	<u>449,523,000</u>	<u>60,940,000</u>	<u>510,463,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>2,875,000</u>	<u>—</u>	<u>2,875,000</u>
Liabilities			
Current liabilities:			
Accounts payable	5,437,000	130,000	5,567,000
Accrued salaries and benefits payable	6,359,000	8,000	6,367,000
Accrued compensated absences, current portion	3,844,000	10,000	3,854,000
Unearned revenue	15,017,000	797,000	15,814,000
Capitalized lease obligations, current portion	136,000	—	136,000
Long-term debt obligations, current portion	4,140,000	237,000	4,377,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	1,621,000	729,000	2,350,000
Total current liabilities	<u>36,554,000</u>	<u>1,911,000</u>	<u>38,465,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,415,000	14,000	2,429,000
Unearned revenue	2,714,000	—	2,714,000
Grants refundable	1,920,000	—	1,920,000
Capitalized lease obligations, net of current portion	307,000	—	307,000
Long-term debt obligations, net of current portion	212,356,000	3,992,000	216,348,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	2,479,000	—	2,479,000
Other liabilities	75,000	2,573,000	2,648,000
Total noncurrent liabilities	<u>222,266,000</u>	<u>6,579,000</u>	<u>228,845,000</u>
Total liabilities	<u>258,820,000</u>	<u>8,490,000</u>	<u>267,310,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	136,370,000	1,237,000	137,607,000
Restricted for:			
Nonexpendable – endowments	—	34,551,000	34,551,000
Expendable:			
Scholarships and fellowships	917,000	24,000	941,000
Research	15,000	—	15,000
Loans	—	—	—
Capital projects	2,481,000	—	2,481,000
Debt service	—	—	—
Other	4,700,000	5,145,000	9,845,000
Unrestricted	49,095,000	11,493,000	60,588,000
Total net position	<u>\$ 193,578,000</u>	<u>52,450,000</u>	<u>246,028,000</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$15,109,000)	\$ 53,638,000	1,811,000	—	55,449,000
Grants and contracts, noncapital:				
Federal	7,659,000	91,000	—	7,750,000
State	726,000	112,000	—	838,000
Local	82,000	—	—	82,000
Nongovernmental	635,000	—	—	635,000
Sales and services of educational activities	451,000	12,000	—	463,000
Sales and services of auxiliary enterprises (net of scholarship allowance of \$3,936,000)	21,599,000	7,119,000	—	28,718,000
Other operating revenues	6,457,000	1,254,000	—	7,711,000
Total operating revenues	<u>91,247,000</u>	<u>10,399,000</u>	<u>—</u>	<u>101,646,000</u>
Expenses:				
Operating expenses:				
Instruction	45,238,000	—	—	45,238,000
Research	1,165,000	—	—	1,165,000
Public service	13,272,000	—	—	13,272,000
Academic support	13,967,000	—	—	13,967,000
Student services	16,285,000	1,935,000	—	18,220,000
Institutional support	14,103,000	277,000	—	14,380,000
Operation and maintenance of plant	11,511,000	—	—	11,511,000
Student grants and scholarships	12,667,000	—	—	12,667,000
Auxiliary enterprise expenses	13,840,000	6,316,000	—	20,156,000
Depreciation and amortization	11,928,000	357,000	—	12,285,000
Total operating expenses	<u>153,976,000</u>	<u>8,885,000</u>	<u>—</u>	<u>162,861,000</u>
Operating income (loss)	<u>(62,729,000)</u>	<u>1,514,000</u>	<u>—</u>	<u>(61,215,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	45,903,000	—	—	45,903,000
Federal financial aid grants, noncapital	11,423,000	—	—	11,423,000
State financial aid grants, noncapital	6,554,000	—	—	6,554,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	7,720,000	(5,533,000)	3,023,000	5,210,000
Investment income net	691,000	620,000	—	1,311,000
Endowment income	—	2,586,000	—	2,586,000
Interest expense	(8,221,000)	(306,000)	—	(8,527,000)
Other nonoperating revenues (expenses)	1,413,000	(480,000)	53,000	986,000
Net nonoperating revenues (expenses)	<u>65,483,000</u>	<u>(3,113,000)</u>	<u>3,076,000</u>	<u>65,446,000</u>
Income (loss) before other revenues and expenses	2,754,000	(1,599,000)	3,076,000	4,231,000
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,857,000	(223,000)	(3,076,000)	558,000
Additions to permanent endowments	—	1,151,000	—	1,151,000
Increase (decrease) in net position	<u>6,611,000</u>	<u>(671,000)</u>	<u>—</u>	<u>5,940,000</u>
Net position:				
Net position at beginning of year, as previously reported	186,967,000	53,121,000	—	240,088,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>186,967,000</u>	<u>53,121,000</u>	<u>—</u>	<u>240,088,000</u>
Net position at end of year	<u>\$ 193,578,000</u>	<u>52,450,000</u>	<u>—</u>	<u>246,028,000</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 54,463,000
Federal grants and contracts	7,763,000
State grants and contracts	762,000
Local grants and contracts	56,000
Nongovernmental grants and contracts	696,000
Payments to suppliers	(37,441,000)
Payments to employees	(91,108,000)
Payments to students	(12,667,000)
Collections of student loans	—
Sales and services of educational activities	483,000
Sales and services of auxiliary enterprises	21,574,000
Other receipts	7,520,000
	(47,899,000)
Cash flows from noncapital financing activities:	
State appropriations	45,903,000
Federal financial aid grants	11,390,000
State financial aid grants	6,554,000
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	7,720,000
Federal loan program receipts	40,803,000
Federal loan program disbursements	(40,814,000)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Other noncapital financing activities	2,320,000
	73,876,000
Cash flows from capital and related financing activities:	
Proceeds from capital debt	89,120,000
State appropriations	353,000
Capital grants and gifts	3,472,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(47,906,000)
Issuance of notes receivable	—
Transfers to escrow agent	(32,468,000)
Principal paid on capital debt and leases	(24,008,000)
Interest paid on capital debt and leases	(9,068,000)
Principal payments received on capital leases receivable	—
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	(20,505,000)

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 276,595,000
Purchases of investments	(283,936,000)
Investment income proceeds	814,000
Net cash used in investing activities	(6,527,000)
Net decrease in cash and cash equivalents	(1,055,000)
Cash and cash equivalents at beginning of year	1,795,000
Cash and cash equivalents at end of year	\$ 740,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 740,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 740,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (62,729,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,928,000
Change in assets and liabilities:	
Accounts receivable, net	32,000
Student loans receivable, net	—
Prepaid expenses and other assets	(124,000)
Accounts payable	(222,000)
Accrued salaries and benefits	362,000
Accrued compensated absences	212,000
Unearned revenue	2,125,000
Depository accounts	—
Other postemployment benefits obligation	470,000
Other liabilities	47,000
Net cash used in operating activities	\$ (47,899,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 385,000
Change in accrued capital asset purchases	(1,459,000)
Amortization of bond premium and discount	(245,000)

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,083,000
Payments from discretely presented component units for other than salaries	2,307,000
Payments to discretely presented component units for services, space, and programs	1,773,000
Gifts in kind from discretely presented component units	53,000
Gifts (cash or assets) from discretely presented component units	7,139,000
Accounts receivable from discretely presented component units	76,000
Accounts payable to discretely presented component units	(156,000)
Other amounts payable to discretely presented component units	(5,000)
Payments to the Office of the Chancellor for administrative activities	190,000
Payments to the Office of the Chancellor for state pro rata charges	410,000
Accounts receivable from the Office of the Chancellor	46,000
State lottery appropriations received	1,874,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position

June 30, 2013

	Assets	Campus	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 94,000	924,000	1,018,000
Short-term investments		60,673,000	4,984,000	65,657,000
Accounts receivable, net		2,358,000	431,000	2,789,000
Leases receivable, current portion		88,000	—	88,000
Notes receivable, current portion		—	—	—
Pledges receivable, net		—	531,000	531,000
Prepaid expenses and other assets		502,000	24,000	526,000
Total current assets		63,715,000	6,894,000	70,609,000
Noncurrent assets:				
Restricted cash and cash equivalents		—	451,000	451,000
Accounts receivable, net		7,059,000	—	7,059,000
Leases receivable, net of current portion		4,424,000	—	4,424,000
Notes receivable, net of current portion		—	—	—
Student loans receivable, net		724,000	—	724,000
Pledges receivable, net		—	1,848,000	1,848,000
Endowment investments		—	11,500,000	11,500,000
Other long-term investments		173,000	1,023,000	1,196,000
Capital assets, net		127,387,000	8,828,000	136,215,000
Other assets		—	78,000	78,000
Total noncurrent assets		139,767,000	23,728,000	163,495,000
Total assets		203,482,000	30,622,000	234,104,000
	Deferred Outflows of Resources			
Deferred outflows of resources		702,000	—	702,000
	Liabilities			
Current liabilities:				
Accounts payable		1,862,000	399,000	2,261,000
Accrued salaries and benefits payable		6,382,000	3,000	6,385,000
Accrued compensated absences, current portion		2,384,000	17,000	2,401,000
Unearned revenue		1,902,000	187,000	2,089,000
Capitalized lease obligations, current portion		671,000	92,000	763,000
Long-term debt obligations, current portion		820,000	230,000	1,050,000
Claims liability for losses and loss adjustment expenses, current portion		—	—	—
Depository accounts, current portion		232,000	4,000	236,000
Other liabilities		2,286,000	284,000	2,570,000
Total current liabilities		16,539,000	1,216,000	17,755,000
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		1,358,000	—	1,358,000
Unearned revenue		175,000	—	175,000
Grants refundable		893,000	—	893,000
Capitalized lease obligations, net of current portion		564,000	4,429,000	4,993,000
Long-term debt obligations, net of current portion		35,690,000	2,768,000	38,458,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	—	—
Depository accounts		—	—	—
Other postemployment benefits obligation		1,845,000	645,000	2,490,000
Other liabilities		1,371,000	1,331,000	2,702,000
Total noncurrent liabilities		41,896,000	9,173,000	51,069,000
Total liabilities		58,435,000	10,389,000	68,824,000
	Deferred Inflows of Resources			
Deferred inflows of resources		—	—	—
	Net Position			
Net position:				
Net investment in capital assets		95,776,000	1,309,000	97,085,000
Restricted for:				
Nonexpendable – endowments		—	7,888,000	7,888,000
Expendable:				
Scholarships and fellowships		8,000	1,085,000	1,093,000
Research		—	—	—
Loans		—	—	—
Capital projects		7,462,000	—	7,462,000
Debt service		25,000	—	25,000
Other		12,000	7,077,000	7,089,000
Unrestricted		42,466,000	2,874,000	45,340,000
Total net position		\$ 145,749,000	20,233,000	165,982,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2013

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$29,826,000)	\$ 33,179,000	2,148,000	(1,202,000)	34,125,000
Grants and contracts, noncapital:				
Federal	3,377,000	—	—	3,377,000
State	2,368,000	—	—	2,368,000
Local	876,000	—	—	876,000
Nongovernmental	65,000	—	—	65,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowance of \$1,237,000)	4,719,000	1,360,000	—	6,079,000
Other operating revenues	4,709,000	685,000	—	5,394,000
Total operating revenues	<u>49,293,000</u>	<u>4,193,000</u>	<u>(1,202,000)</u>	<u>52,284,000</u>
Expenses:				
Operating expenses:				
Instruction	45,639,000	363,000	—	46,002,000
Research	989,000	—	—	989,000
Public service	752,000	—	—	752,000
Academic support	12,355,000	36,000	—	12,391,000
Student services	12,939,000	2,493,000	—	15,432,000
Institutional support	11,344,000	1,169,000	(315,000)	12,198,000
Operation and maintenance of plant	9,461,000	366,000	—	9,827,000
Student grants and scholarships	20,826,000	647,000	(752,000)	20,721,000
Auxiliary enterprise expenses	8,438,000	434,000	(1,202,000)	7,670,000
Depreciation and amortization	14,422,000	476,000	—	14,898,000
Total operating expenses	<u>137,165,000</u>	<u>5,984,000</u>	<u>(2,269,000)</u>	<u>140,880,000</u>
Operating loss	<u>(87,872,000)</u>	<u>(1,791,000)</u>	<u>1,067,000</u>	<u>(88,596,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	46,024,000	—	—	46,024,000
Federal financial aid grants, noncapital	20,666,000	—	—	20,666,000
State financial aid grants, noncapital	13,409,000	—	—	13,409,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	754,000	—	(752,000)	2,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	232,000	1,617,000	—	1,849,000
Investment income net	492,000	19,000	—	511,000
Endowment income	—	834,000	—	834,000
Interest expense	(1,901,000)	(355,000)	—	(2,256,000)
Other nonoperating revenues	2,502,000	8,000	(315,000)	2,195,000
Net nonoperating revenues	<u>82,178,000</u>	<u>2,123,000</u>	<u>(1,067,000)</u>	<u>83,234,000</u>
Income (loss) before other revenues and expenses	<u>(5,694,000)</u>	<u>332,000</u>	<u>—</u>	<u>(5,362,000)</u>
State appropriations, capital	1,757,000	—	—	1,757,000
Grants and gifts, capital	316,000	—	—	316,000
Additions to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(3,621,000)</u>	<u>332,000</u>	<u>—</u>	<u>(3,289,000)</u>
Net position:				
Net position at beginning of year, as previously reported	149,370,000	19,901,000	—	169,271,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>149,370,000</u>	<u>19,901,000</u>	<u>—</u>	<u>169,271,000</u>
Net position at end of year	<u>\$ 145,749,000</u>	<u>20,233,000</u>	<u>—</u>	<u>165,982,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2013

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 33,153,000
Federal grants and contracts	3,544,000
State grants and contracts	2,569,000
Local grants and contracts	1,218,000
Nongovernmental grants and contracts	136,000
Payments to suppliers	(20,771,000)
Payments to employees	(80,208,000)
Payments to students	(20,987,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	4,717,000
Other receipts	4,753,000
	<hr/>
Net cash used in operating activities	(71,876,000)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	46,023,000
Federal financial aid grants	20,666,000
State financial aid grants	13,409,000
Nongovernmental and other financial aid grants	754,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	293,000
Federal loan program receipts	35,056,000
Federal loan program disbursements	(35,027,000)
Monies received on behalf of others	3,099,000
Monies disbursed on behalf of others	(3,033,000)
Other noncapital financing activities	2,447,000
	<hr/>
Net cash provided by noncapital financing activities	83,687,000
	<hr/>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	9,226,000
State appropriations	8,319,000
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(9,618,000)
Issuance of notes receivable	—
Transfers to escrow agent	(9,166,000)
Principal paid on capital debt and leases	(1,569,000)
Interest paid on capital debt and leases	(1,516,000)
Principal payments received on capital leases receivable	83,000
Interest payments received on capital leases receivable	—
Principal payments received on notes receivable	—
Interest payments received on notes receivable	—
	<hr/>
Net cash used in capital and related financing activities	(4,241,000)
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CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2013

	Campus
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	\$ 154,191,000
Purchases of investments	(162,505,000)
Investment income proceeds	549,000
Net cash used in investing activities	(7,765,000)
Net decrease in cash and cash equivalents	(195,000)
Cash and cash equivalents at beginning of year	289,000
Cash and cash equivalents at end of year	\$ 94,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 94,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 94,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (87,872,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,422,000
Change in assets and liabilities:	
Accounts receivable, net	469,000
Student loans receivable, net	—
Prepaid expenses and other assets	346,000
Accounts payable	(249,000)
Accrued salaries and benefits	142,000
Accrued compensated absences	191,000
Unearned revenue	584,000
Depository accounts	—
Other postemployment benefits obligation	497,000
Other liabilities	(406,000)
Net cash used in operating activities	\$ (71,876,000)
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 316,000
Change in accrued capital asset purchases	(379,000)
Gifts in kind	61,000
Amortization of bond premium and discount	(77,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Transactions with Related Entities

Year ended June 30, 2013

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 100,000
Payments from discretely presented component units for other than salaries	2,609,000
Payments to discretely presented component units for services, space, and programs	2,634,000
Gifts (cash or assets) from discretely presented component units	375,000
Accounts receivable from discretely presented component units	343,000
Other amounts payable to discretely presented component units	(342,000)
Payments to the Office of the Chancellor for administrative activities	120,000
Payments to the Office of the Chancellor for state pro rata charges	352,000
Accounts receivable from the Office of the Chancellor	259,000
State lottery appropriations received	1,047,000

See accompanying independent auditors' report.



CSU SACRAMENTO



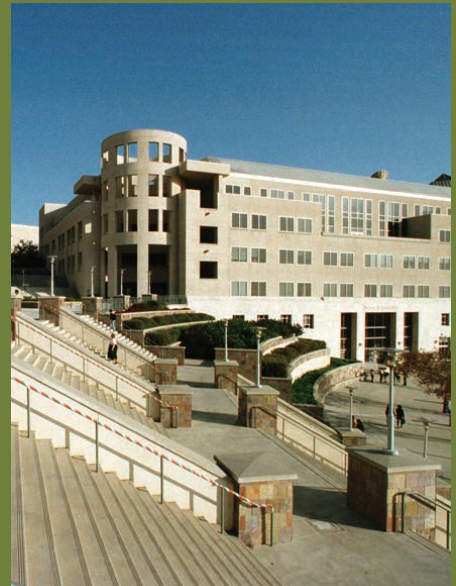
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