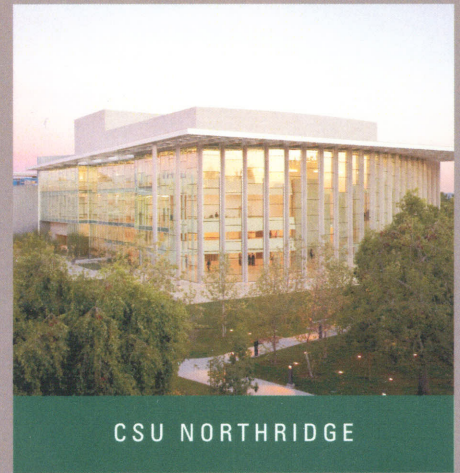
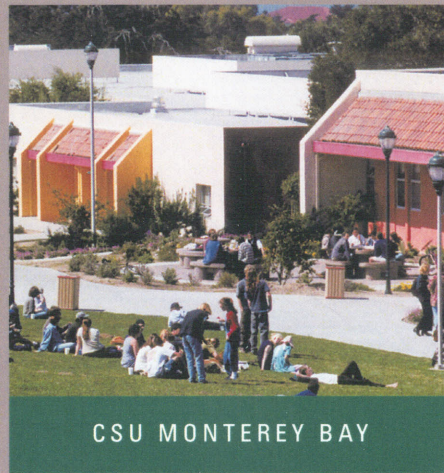
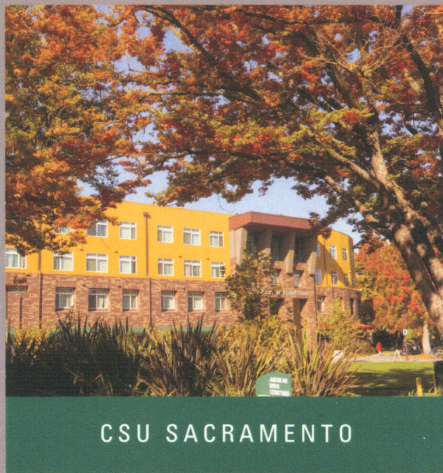


FINANCIAL STATEMENTS

JUNE 30, 2014



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

LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER

The California State University is a remarkable institution that is comprised of 23 campuses offering an outstanding education to 438,157 students in College Year 2013-14. As the nation's largest university, it has become the economic engine for California; creating jobs, companies, and innovation. The majority of California's leaders and policymakers received their degrees from one of the 23 campuses of the California State University.

The investment of tax dollars into the California State University is the best investment Californians can make in their future. For every \$1 invested in the California State University, \$5.43 is invested by the University back into California's economy. And that investment keeps California competitive with the rest of the world, as well as contributes to the nation's economy and security.

For this reason, California needs to look carefully at how it invests its precious resources in the future of the State and its citizens. Additional investments in the California State University will increase access to an excellent education for many additional students and provide the necessary facilities for their studies.

I am happy to say that the California State University's financial position is very strong, and the new financial authority granted to the University by the State will allow us to optimally use our resources for our highest priorities. While we continue to increase our enrollment capacity, the demand for admission to our campuses continues to increase at a much higher rate.

The campuses and University system are working hard to improve and streamline our operations so that we can best serve the academic enterprise. We are investing in innovative new ways to provide students with tools to shorten the time it takes to get their degree, and provide faculty with the resources they need to be successful.

Our commitment to the people of California is to build on the foundation of a great University; to increase access to a high-quality education, and to help solve the State's greatest challenges in the years ahead.



STEVE RELYEA
EXECUTIVE VICE CHANCELLOR, CFO
THE CALIFORNIA STATE UNIVERSITY

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 (the University), an agency of the State of California (the State), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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 91.2% and total revenues constituting 94.2% 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 is sufficient and appropriate to provide a basis for our audit opinions.



Opinion

In our opinion, based on our audits 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, 2014, 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.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 17 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, 2014 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University'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 53 to 167 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 materials respects, in relation to the financial statements as a whole.

KPMG LLP

October 15, 2014

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(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, 2014, 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 as of and for the year ended June 30, 2014 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

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(Unaudited)

requires classification of state appropriations, a significant revenue stream to fund current operations, as nonoperating revenue.

The Statement of Cash Flows presents the changes in the University's cash and cash equivalents during the most recent fiscal year. This statement is prepared using the direct method of cash flows. The statement breaks out the sources and uses of the University's cash and cash equivalents into four categories:

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

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

The Statement of Cash Flows for the discretely presented component units is not included in the University's financial statements.

Financial Highlights

The noncapital state appropriation for the University in fiscal year 2014 was \$2.35 billion, \$277.3 million higher than in fiscal year 2013. This increase consists of \$125.0 million to restore the University's revenue loss from the fiscal year 2013 tuition fee rollback, \$125.0 million increase in general noncapital operating budget support, and \$27.3 million for other items.

The student tuition fee revenues increased by \$42.0 million in fiscal year 2014, mainly due to student enrollment growth. Headcount enrollment increased from 426,212 in fiscal year 2013 to 438,157 in fiscal year 2014, as reflected in the chart on the following page. At the same time, Full-Time Equivalent Students increased from 358,794 in fiscal year 2013 to 370,585 in fiscal year 2014.

CALIFORNIA STATE UNIVERSITY

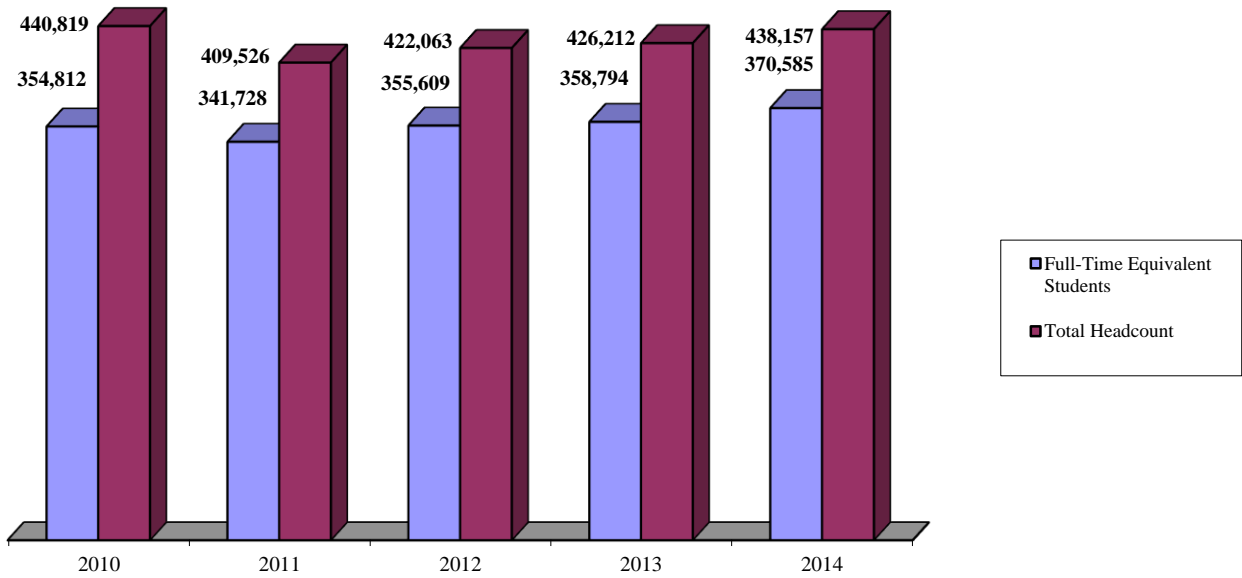
Management's Discussion and Analysis

June 30, 2014

(Unaudited)

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

Enrollment



Financial Analysis

The following sections provide additional details on the University's financial position and activities for fiscal years 2014 and 2013 and a look ahead at economic conditions that are expected to affect the University in the future:

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

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(Unaudited)

I. Condensed Schedules of Net Position

	University		Discretely Presented Component Units	
	2014	2013	2014	2013
	(In thousands)			
Current assets	\$ 3,125,495	2,862,724	1,227,635	1,065,568
Capital assets, net	7,820,312	7,689,116	811,405	796,835
Other noncurrent assets	1,435,131	1,568,821	2,077,887	1,869,282
Total assets	<u>12,380,938</u>	<u>12,120,661</u>	<u>4,116,927</u>	<u>3,731,685</u>
Deferred outflows of resources	45,426	32,020	5,204	5,071
Current liabilities	1,294,577	1,073,707	479,949	352,489
Noncurrent liabilities	5,388,743	5,395,972	1,019,365	1,059,656
Total liabilities	<u>6,683,320</u>	<u>6,469,679</u>	<u>1,499,314</u>	<u>1,412,145</u>
Deferred inflows of resources	—	—	1,561	2,481
Net position:				
Net investment in capital assets	3,625,543	3,693,066	181,825	182,928
Restricted:				
Nonexpendable	16,218	20,627	924,853	847,651
Expendable	114,485	87,510	906,097	759,064
Unrestricted	1,986,798	1,881,799	608,481	532,487
Total net position	<u>\$ 5,743,044</u>	<u>5,683,002</u>	<u>2,621,256</u>	<u>2,322,130</u>

Current and Other Noncurrent Assets

Current and other noncurrent assets are assets that are not capital assets and are used to meet 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 \$4.56 billion for the University represents an increase of \$129.1 million compared to \$4.43 billion in fiscal year 2013. Investments represent 70.4% of the total current and other noncurrent assets. The University invests its funds mainly through the California State University (CSU) Consolidated Investment Pool whose objective is to maximize current income while preserving and prioritizing asset safety and liquidity. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed by the State Treasurer to invest funds in a short-term pool. The total investment increased by \$168.3 million due to an overall increase in operating resources provided by the State of California (the State) through noncapital appropriation as previously discussed.

The other major factors contributing to the increase in current and other noncurrent assets include the \$23.0 million increase in notes receivable. Majority of the net increase in notes receivable are the proceeds from

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(Unaudited)

the issuance of new Bond Anticipation Notes (BAN) loaned to certain discretely presented component units amounting to \$46.7 million and collection of \$22.0 million during the year. The other assets increased by \$18.2 million mainly due to the new construction reserve funds held by the State Public Works Board (SPWB) in connection with the new capital leases under the SPWB Lease Revenue Bonds Program. These increases were offset by the \$70.6 million decrease in accounts receivable, which is mainly due to collection of funds from the State utilized for operations and capital related projects including those under the SPWB Lease Revenue Bonds Program. These are offset by the net decrease of \$9.8 million in other items.

Current and other noncurrent assets for the discretely presented component units increased by \$370.7 million mainly due to \$265.8 million increase in gifts and contributions to endowments managed mostly by Foundations. The endowment investments are mostly given to and managed by the discretely presented component units to maximize the return on these investments. The accounts receivable also increased by \$85.7 million due to issuance of BANs by the California State University Institute, which increased its accounts receivable by \$122.0 million and offset by net decrease of \$36.3 million on receivables of the other discretely presented component units. The cash and cash equivalents increased by \$28.7 million increase, which is attributable to increase in gifts noncapital. These are offset by the net decrease of \$9.5 million in other items.

Capital Assets, Net

The University's capital assets, net of accumulated depreciation and amortization, as of June 30, 2014 and 2013, comprise the following:

	<u>2014</u>	<u>2013</u>
	(In thousands)	
Land and land improvements	\$ 261,990	256,976
Buildings and building improvements	6,028,032	5,823,857
Improvements other than buildings	167,728	166,195
Infrastructure	583,453	587,858
Equipment	210,875	202,809
Library books and materials	37,163	39,196
Works of art and historical treasures	30,341	28,697
Intangible assets	31,426	29,551
Construction work in progress	469,304	553,977
Total	<u>\$ 7,820,312</u>	<u>7,689,116</u>

Total capital assets, net of accumulated depreciation and amortization, increased by \$131.2 million during fiscal year 2014 as a result of additions on various capital projects including the following:

- Completion of the \$119.0 million San Luis Obispo Center for Science
- Completion of the \$102.4 million San Diego Aztec Center Student Union
- Completion of the \$62.3 million Sonoma Student Center

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June 30, 2014

(Unaudited)

- Construction in progress on the \$89.0 million San Jose Student Union Expansion and Renovation
- Construction in progress on the \$63.1 million San Diego Storm/Nasatir Halls Renovation
- Construction in progress on the \$63.8 million San Jose Spartan Complex Renovation
- Construction in progress on the \$56.6 million Pomona Recreation Center

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 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 \$13.4 million from \$32.0 million in fiscal year 2013 to \$45.4 million in fiscal year 2014, mainly due to the partial refunding of Systemwide Revenue Bonds Series 2005A and 2005C through the issuance of Series 2013A in July 2013 amounting to \$18.3 million offset by the 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 of \$6.68 billion for the University represent an increase of \$213.6 million compared to \$6.47 billion in fiscal year 2013. This is mainly due to the \$104.6 million increase in capitalized lease obligation related to the SPWB and \$58.4 million increase in long-term debt from issuance of BANs. Other major factors include the \$48.0 million increase in other postemployment benefits obligations allocated from the State, \$31.3 million combined increase in accrued salaries and benefits and accrued compensated balance due to increase in salary and benefit rates, \$11.9 million in unearned revenues due to the increase in student enrollment, offset by \$40.6 million decrease mainly in other liabilities for future obligations related to SPWB.

Current and other noncurrent liabilities for the discretely presented component units increased by \$87.2 million mainly due to \$94.7 million increase in long-term debt obligations, \$12.2 million increase in claims liability for losses and loss adjustment expenses, \$13.1 million increase in capitalized lease obligations and offset by \$27.0 million in other liabilities, and \$5.8 million net decrease in other items.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(Unaudited)

Long-Term Debt Obligations

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

	<u>2014</u>	<u>2013</u>
	(In thousands)	
Systemwide Revenue Bonds	\$ 3,507,043	3,604,708
Bond Anticipation Notes	168,511	27,055
Other	72,898	80,352
Total	<u>3,748,452</u>	<u>3,712,115</u>
Unamortized bond net premium	<u>156,073</u>	<u>133,989</u>
Total long-term debt obligations	3,904,525	3,846,104
Less current portion	<u>(260,601)</u>	<u>(98,747)</u>
Long-term debt obligations, net of current portion	<u>\$ 3,643,924</u>	<u>3,747,357</u>

The University's total long-term debt obligations increased by \$58.4 million in fiscal year 2014, mainly due to the issuance of Systemwide Revenue Bonds Series 2013A of \$351.0 million, issuance of Bond Anticipation Notes of \$153.3 million to finance capital related projects, new debt of \$5.3 million, which were offset by the \$323.1 million advance debt refunding of Systemwide Revenue Bonds Series 2005A and 2005C, \$114.0 million debt repayment, and \$14.1 million amortization of bond premium.

The table above does not include the University's capitalized lease obligations. Capitalized lease obligations for the University increased by \$104.6 million in fiscal year 2014, consisting primarily of new capital lease obligations of \$174.9 million with the SPWB, offset by current year repayments and amortization of premium.

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, 2014 and 2013 is approximately \$2.60 billion.

No fundamental changes occurred in the revenues and expenditures of the revenue bond programs during fiscal year 2014. 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 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 AA-, with a positive outlook, for the Systemwide Revenue Bonds. With the exception of certain maturities of Series 2008A, and Series 2009A, and all maturities of Series 2010A, Series 2010B, Series 2011A, Series 2012A, Series 2012B, and Series 2013A, all Systemwide Revenue Bonds are insured. Since the middle of fiscal year 2008,

CALIFORNIA STATE UNIVERSITY

Management’s Discussion and Analysis

June 30, 2014

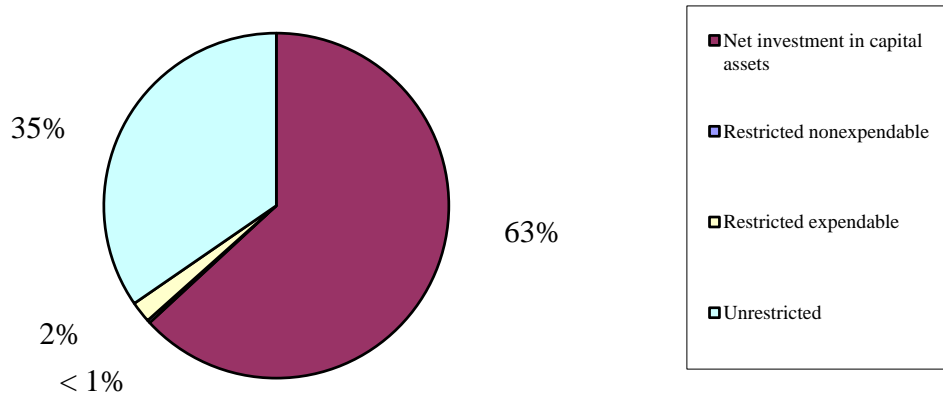
(Unaudited)

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 AA- from the Standard & Poor’s Ratings Services.

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, 2014, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5.74 billion for the University, an increase of \$60.0 million from prior year.

**University Net Position
June 30, 2014**



Total Net Position: \$5,743,044,000

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 \$67.5 million as a result of depreciation of capital assets at a faster rate than repayment of the long-term debt.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(Unaudited)

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."

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 discretely presented component units, 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 U.S. 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 increased by \$105.0 million to \$1.99 billion as of June 30, 2014, which consists of \$1.30 billion designated resources from various funds and \$691.0 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 \$1.30 billion in designated unrestricted net position, approximately 62.7% was designated for supporting enterprise activities (i.e., Continuing Education, Housing, Parking, and Student Union), 12.3% was designated for campus-based projects or programs, and 10.6% was designated for special capital projects. The remaining 14.4% was designated for supporting activities related to education, financial aid, and other programs.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(Unaudited)

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

	University		Discretely presented component units	
	2014	2013	2014	2013
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,123,212	2,081,251	170,703	185,213
Grants and contracts, noncapital	73,343	91,361	475,835	476,416
Sales and services of educational activities	42,227	35,355	34,458	28,595
Sales and services of auxiliary enterprises, net	416,300	402,626	476,237	459,091
Other operating revenues	178,657	187,155	233,327	228,771
Total operating revenues	2,833,739	2,797,748	1,390,560	1,378,086
Operating expenses	6,534,506	6,208,408	1,509,773	1,490,919
Operating loss	(3,700,767)	(3,410,660)	(119,213)	(112,833)
Nonoperating revenues (expenses):				
State appropriations, noncapital	2,345,755	2,068,465	—	—
Federal financial aid grants, noncapital	885,327	810,838	1,198	1,541
State financial aid grants, noncapital	521,796	437,517	1,310	1,333
Local financial aid grants, noncapital	—	—	269	233
Nongovernmental and other financial aid grants, noncapital	34,784	30,831	325	172
Other federal nonoperating grants, noncapital	3,925	3,326	—	—
Gifts, noncapital	39,636	47,861	182,424	168,392
Investment income, net	43,610	41,522	94,335	59,102
Endowment income, net	86	129	136,027	85,241
Interest expense	(226,268)	(244,187)	(27,047)	(29,547)
Other nonoperating revenues (expenses)	66,417	79,702	(19,858)	(26,420)
Net nonoperating revenues	3,715,068	3,276,004	368,983	260,047
Income (loss) before other revenues and expenses	14,301	(134,656)	249,770	147,214

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

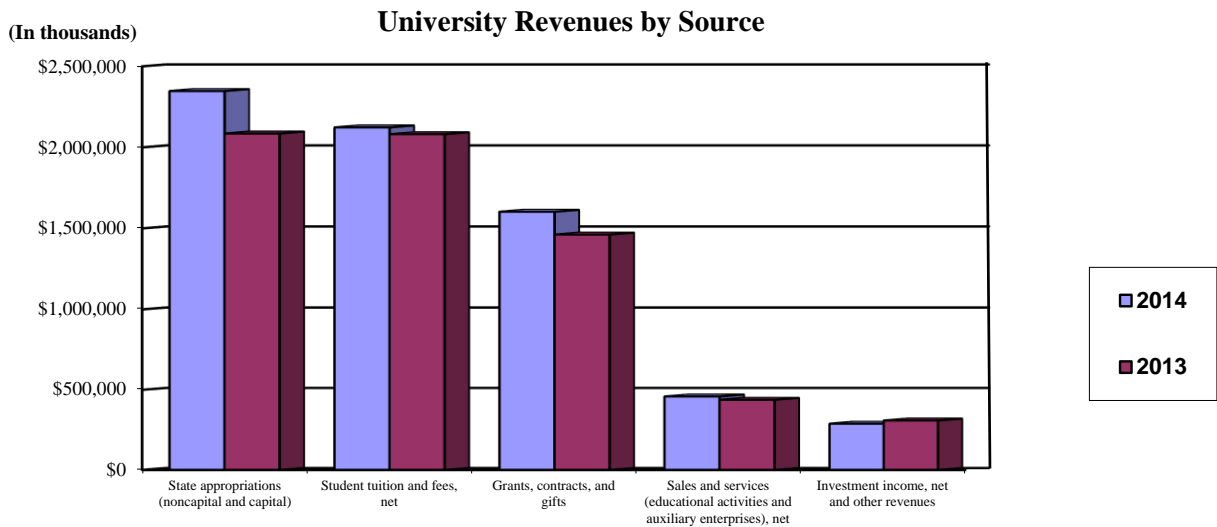
June 30, 2014

(Unaudited)

	University		Discretely presented component units	
	2014	2013	2014	2013
	(In thousands)			
State appropriations, capital	\$ 1,896	16,983	—	—
Grants and gifts, capital	45,728	40,832	8,166	17,021
Additions (reductions) to permanent endowments	<u>(1,883)</u>	<u>(576)</u>	<u>47,392</u>	<u>56,211</u>
Change in net position	<u>60,042</u>	<u>(77,417)</u>	<u>305,328</u>	<u>220,446</u>
Net position – beginning of year, as previously reported	5,683,002	5,818,777	2,322,130	2,050,840
Restatements	<u>—</u>	<u>(58,358)</u>	<u>(6,202)</u>	<u>50,844</u>
Net position – beginning of year, as restated	<u>5,683,002</u>	<u>5,760,419</u>	<u>2,315,928</u>	<u>2,101,684</u>
Net position – end of year	<u><u>\$ 5,743,044</u></u>	<u><u>5,683,002</u></u>	<u><u>2,621,256</u></u>	<u><u>2,322,130</u></u>

Revenues (Operating and Nonoperating)

The following chart displays the components of the University's revenues for fiscal years 2014 and 2013:



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Management's Discussion and Analysis

June 30, 2014

(Unaudited)

	2014	Percentage of total	2013	Percentage of total
	(In thousands)		(In thousands)	
State appropriations (noncapital and capital)	\$ 2,347,651	34.4%	2,085,448	32.7%
Student tuition and fees, net	2,123,212	31.1	2,081,251	32.7
Grants, contracts, and gifts	1,602,656	23.5	1,461,990	22.9
Sales and services (educational activities and auxiliary enterprises), net	458,527	6.7	437,981	6.9
Investment income, net and other revenues	288,770	4.3	308,508	4.8
Total revenues (operating and nonoperating)	\$ 6,820,816	100.0%	6,375,178	100.0%

The two largest components of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 65.5% of the University's revenues in fiscal year 2014. State appropriations are received for both noncapital and capital purposes. Noncapital appropriations increased by \$277.3 million, or 13.4%, from \$2.07 billion to \$2.35 billion in the current year. Capital appropriations decreased by \$15.1 million, or 88.8%, from \$17.0 million to \$1.9 million in the current year. The student tuition and fees net of scholarship and allowances, increased by \$42.0 million, or 2.0%, mainly due to increase in overall student enrollment.

A significant portion of the University's grants, contracts and gifts revenue is managed through its discretely presented component units. Of the total reporting entity's grants, contracts and gifts revenue (before elimination) of \$2.32 billion, 30.9% is managed by these related entities. Grants, contracts, and gifts revenue for the University have increased \$140.7 million or 9.6% in the current year.

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

Investment income, net and other revenues for the University, which consists of investment income, endowment income, other operating revenues, and other nonoperating revenues, decreased by \$19.7 million to \$288.8 million in the current year. The decrease was primarily due to a decrease of \$13.3 million in other nonoperating revenues and \$8.5 million decrease in other operating revenues, offset by an increase of \$2.1 million in investment income, net, in the current year.

The University's investment portfolio consists primarily of investments held in the State of California SMIF and the CSU 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

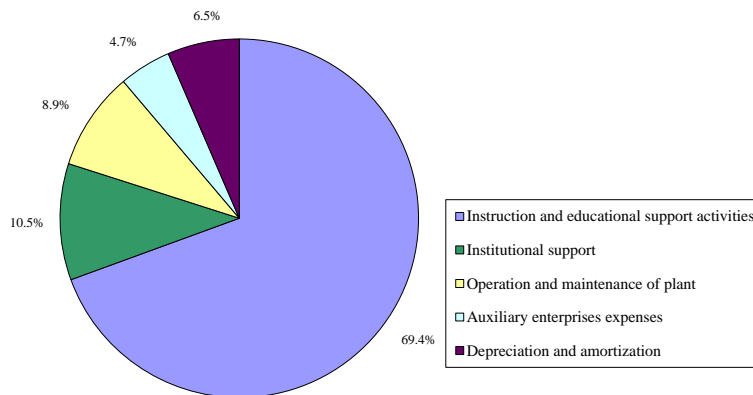
June 30, 2014

(Unaudited)

Operating Expenses

When the mission-critical educational support activities of student services, academic support, student grants and scholarships, public service, and research are added to direct classroom instruction, total instruction and educational support activities account for 69.4% of the total operating expenses of the University as shown below:

	2014	Percentage
	(In thousands)	of total
Instruction	\$ 2,250,218	34.4%
Research	45,306	0.7
Public service	53,834	0.8
Academic support	632,081	9.7
Student services	697,481	10.7
Student grants and scholarships	<u>857,856</u>	<u>13.1</u>
Total instruction and		
educational support activities	4,536,776	69.4
Institutional support	686,059	10.5
Operation and maintenance of plant	580,449	8.9
Auxiliary enterprises expenses	307,425	4.7
Depreciation and amortization	<u>423,797</u>	<u>6.5</u>
Total operating expenses	<u>\$ 6,534,506</u>	<u>100.0%</u>



CALIFORNIA STATE UNIVERSITY

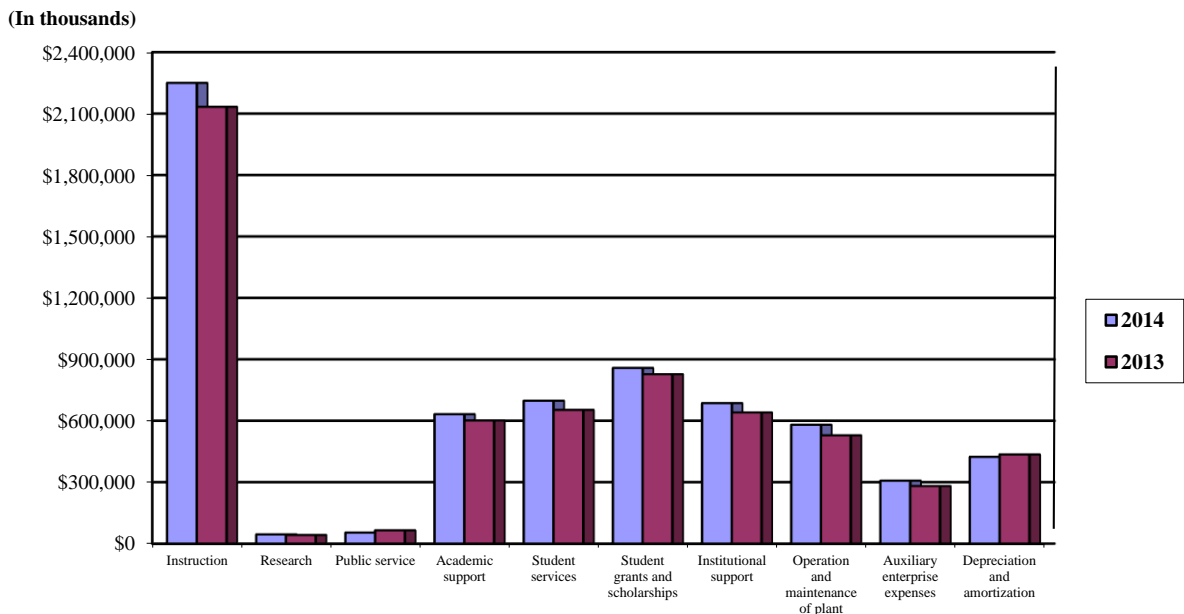
Management's Discussion and Analysis

June 30, 2014

(Unaudited)

Total operating expenses for the University increased by \$326.1 million in the current year. The increase was a result of primarily the increase in employees' salaries, employees' and retirees' benefit costs, and insurance premiums resulting in an increase of \$116.9 million in instruction expenses, \$30.9 million in academic support, \$44.3 million in student services, and \$45.6 million in institutional support. Other factors included increases in auxiliary enterprise expenses due to housing and parking lot improvements of \$26.1 million, student grants and scholarships of \$30.9 million, maintenance and repair expenses of \$51.7 million, \$11.7 million decrease in depreciation and amortization, and \$8.6 million net decrease in other items. 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 2014 and 2013:

University Operating Expenses by Program



Factors Impacting Future Periods

State Budget Act for Fiscal Year 2015

The State Budget Act for fiscal year 2015, approved by the Governor on June 20, 2014, resulted in noncapital state appropriation of \$2.7 billion, which represents an increase of \$350.0 million over the fiscal year 2014 enacted budget. This increase consists of \$197 million to pay the cost of General Obligation bond debt service attributable to the University's capital projects, another \$142.7 million increase in general noncapital operating budget support, and \$10 million for increased new SPWB capitalized lease bond payments and other items. The University also projects student tuition and fee revenues to increase by \$41.6 million in fiscal year 2015 primarily due to student enrollment growth.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2014

(Unaudited)

In June 2014, the State enacted legislation that granted additional capital financing authorities to the University. These new authorities include the ability to pledge the University's annual general fund support appropriation, less the amount of that appropriation required to meet State general obligation bond payments and SPWB capitalized lease payments, to secure the payment of debt obligations issued by the University pursuant to the State University Revenue Bond Act of 1947 (Act). No more than 12 percent of the University's annual general fund support appropriation, less the amount of that appropriation that is required to fund State General Obligation bond payments and SPWB capitalized lease payments, may be used for debt service for, or to directly fund, certain capital expenditures. These new authorities also allow the University to pledge any other revenues that the University chooses to pledge to secure the payment of debt obligations issued by the University pursuant to the Act and provide flexibility to utilize these new authorities through the Systemwide Revenue Bond program. The University is still evaluating the new authorities and has taken no action to utilize them.

New Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for the University's fiscal year beginning July 1, 2014. This Statement revises existing standards for employer financial statements relating to measuring and reporting pension liabilities for pension plans provided by the University to its employees. The Statement requires recognition of a liability in the University's financial statements equal to the net pension liability, which is measured as the total pension liability, less the amount of the pension plan's net position.

As the University participates with the State of California in California Public Employees' Retirement System (CalPERS), the University is reliant on both CalPERS and the State Controller's Office for determining the effects of implementing this Statement in future financial statements. The University has not yet determined the impact of GASB Statement No. 68 will have on the University's financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2014

	Assets	University	Discretely presented component units	Total
Current assets:				
Cash and cash equivalents		\$ 4,074,000	228,831,000	232,905,000
Short-term investments		2,855,578,000	576,288,000	3,431,866,000
Accounts receivable, net		144,726,000	336,804,000	481,530,000
Leases receivable, current portion		11,442,000	2,559,000	14,001,000
Notes receivable, current portion		51,319,000	3,225,000	54,544,000
Pledges receivable, net		240,000	48,009,000	48,249,000
Prepaid expenses and other assets		58,116,000	31,919,000	90,035,000
Total current assets		<u>3,125,495,000</u>	<u>1,227,635,000</u>	<u>4,353,130,000</u>
Noncurrent assets:				
Restricted cash and cash equivalents		90,000	26,725,000	26,815,000
Accounts receivable, net		298,608,000	41,382,000	339,990,000
Leases receivable, net of current portion		358,915,000	67,946,000	426,861,000
Notes receivable, net of current portion		249,367,000	24,985,000	274,352,000
Student loans receivable, net		88,251,000	1,229,000	89,480,000
Pledges receivable, net		960,000	101,701,000	102,661,000
Endowment investments		16,218,000	1,273,389,000	1,289,607,000
Other long-term investments		340,935,000	498,285,000	839,220,000
Capital assets, net		7,820,312,000	811,405,000	8,631,717,000
Other assets		81,787,000	42,245,000	124,032,000
Total noncurrent assets		<u>9,255,443,000</u>	<u>2,889,292,000</u>	<u>12,144,735,000</u>
Total assets		<u>12,380,938,000</u>	<u>4,116,927,000</u>	<u>16,497,865,000</u>
	Deferred Outflows of Resources			
Deferred outflows of resources		<u>45,426,000</u>	<u>5,204,000</u>	<u>50,630,000</u>
	Liabilities			
Current liabilities:				
Accounts payable		195,073,000	81,173,000	276,246,000
Accrued salaries and benefits		297,794,000	23,532,000	321,326,000
Accrued compensated absences, current portion		119,690,000	14,074,000	133,764,000
Unearned revenue		256,641,000	62,110,000	318,751,000
Capitalized lease obligations, current portion		70,042,000	15,906,000	85,948,000
Long-term debt obligations, current portion		260,601,000	172,542,000	433,143,000
Claims liability for losses and loss adjustment expenses, current portion		—	32,971,000	32,971,000
Depository accounts, current portion		7,264,000	12,866,000	20,130,000
Other liabilities		87,472,000	64,775,000	152,247,000
Total current liabilities		<u>1,294,577,000</u>	<u>479,949,000</u>	<u>1,774,526,000</u>
Noncurrent liabilities:				
Accrued compensated absences, net of current portion		98,553,000	3,471,000	102,024,000
Unearned revenue		11,460,000	13,051,000	24,511,000
Grants refundable		93,504,000	6,883,000	100,387,000
Capitalized lease obligations, net of current portion		1,180,232,000	360,020,000	1,540,252,000
Long-term debt obligations, net of current portion		3,643,924,000	400,151,000	4,044,075,000
Claims liability for losses and loss adjustment expenses, net of current portion		—	67,395,000	67,395,000
Depository accounts		2,125,000	13,228,000	15,353,000
Other postemployment benefits obligation		267,013,000	96,293,000	363,306,000
Other liabilities		91,932,000	58,873,000	150,805,000
Total noncurrent liabilities		<u>5,388,743,000</u>	<u>1,019,365,000</u>	<u>6,408,108,000</u>
Total liabilities		<u>6,683,320,000</u>	<u>1,499,314,000</u>	<u>8,182,634,000</u>
	Deferred Inflows of Resources			
Deferred inflows of resources		<u>—</u>	<u>1,561,000</u>	<u>1,561,000</u>
	Net Position			
Net position:				
Net investment in capital assets		3,625,543,000	181,825,000	3,807,368,000
Restricted for:				
Nonexpendable – endowments		16,218,000	924,853,000	941,071,000
Expendable:				
Scholarships and fellowships		14,671,000	248,176,000	262,847,000
Research		35,000	31,388,000	31,423,000
Loans		14,310,000	1,943,000	16,253,000
Capital projects		64,778,000	40,150,000	104,928,000
Debt service		139,000	9,987,000	10,126,000
Other		20,552,000	574,453,000	595,005,000
Unrestricted		<u>1,986,798,000</u>	<u>608,481,000</u>	<u>2,595,279,000</u>
Total net position		<u>\$ 5,743,044,000</u>	<u>2,621,256,000</u>	<u>8,364,300,000</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$1,234,193,000)	\$ 2,123,212,000	170,703,000	(11,413,000)	2,282,502,000
Grants and contracts, noncapital:				
Federal	42,917,000	329,793,000	(189,000)	372,521,000
State	15,360,000	79,046,000	(13,000)	94,393,000
Local	7,109,000	13,215,000	—	20,324,000
Nongovernmental	7,957,000	53,781,000	(1,602,000)	60,136,000
Sales and services of educational activities	42,227,000	34,458,000	—	76,685,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$71,734,000)	416,300,000	476,237,000	(7,094,000)	885,443,000
Other operating revenues	178,657,000	233,327,000	(2,257,000)	409,727,000
Total operating revenues	<u>2,833,739,000</u>	<u>1,390,560,000</u>	<u>(22,568,000)</u>	<u>4,201,731,000</u>
Expenses:				
Operating expenses:				
Instruction	2,250,218,000	154,318,000	(3,568,000)	2,400,968,000
Research	45,306,000	211,179,000	(726,000)	255,759,000
Public service	53,834,000	146,517,000	(2,429,000)	197,922,000
Academic support	632,081,000	63,466,000	(1,810,000)	693,737,000
Student services	697,481,000	162,706,000	(31,290,000)	828,897,000
Institutional support	686,059,000	185,399,000	(6,911,000)	864,547,000
Operation and maintenance of plant	580,449,000	47,099,000	(13,428,000)	614,120,000
Student grants and scholarships	857,856,000	51,190,000	(26,489,000)	882,557,000
Auxiliary enterprise expenses	307,425,000	439,513,000	(13,149,000)	733,789,000
Depreciation and amortization	423,797,000	48,386,000	—	472,183,000
Total operating expenses	<u>6,534,506,000</u>	<u>1,509,773,000</u>	<u>(99,800,000)</u>	<u>7,944,479,000</u>
Operating loss	<u>(3,700,767,000)</u>	<u>(119,213,000)</u>	<u>77,232,000</u>	<u>(3,742,748,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	2,345,755,000	—	—	2,345,755,000
Federal financial aid grants, noncapital	885,327,000	1,198,000	—	886,525,000
State financial aid grants, noncapital	521,796,000	1,310,000	—	523,106,000
Local financial aid grants, noncapital	—	269,000	—	269,000
Nongovernmental and other financial aid grants, noncapital	34,784,000	325,000	(17,979,000)	17,130,000
Other federal nonoperating grants, noncapital	3,925,000	—	—	3,925,000
Gifts, noncapital	39,636,000	182,424,000	(45,414,000)	176,646,000
Investment income, net	43,610,000	94,335,000	—	137,945,000
Endowment income	86,000	136,027,000	—	136,113,000
Interest expense	(226,268,000)	(27,047,000)	—	(253,315,000)
Other nonoperating revenues (expenses)	66,417,000	(19,858,000)	4,012,000	50,571,000
Net nonoperating revenues	<u>3,715,068,000</u>	<u>368,983,000</u>	<u>(59,381,000)</u>	<u>4,024,670,000</u>
Income before other revenues and expenses	14,301,000	249,770,000	17,851,000	281,922,000
State appropriations, capital	1,896,000	—	—	1,896,000
Grants and gifts, capital	45,728,000	8,166,000	(17,851,000)	36,043,000
Additions (reduction) to permanent endowments	(1,883,000)	47,392,000	—	45,509,000
Increase in net position	<u>60,042,000</u>	<u>305,328,000</u>	<u>—</u>	<u>365,370,000</u>
Net position:				
Net position at beginning of year, as previously reported	5,683,002,000	2,322,130,000	—	8,005,132,000
Restatements	—	(6,202,000)	—	(6,202,000)
Net position at beginning of year, as restated	<u>5,683,002,000</u>	<u>2,315,928,000</u>	<u>—</u>	<u>7,998,930,000</u>
Net position at end of year	<u>\$ 5,743,044,000</u>	<u>2,621,256,000</u>	<u>—</u>	<u>8,364,300,000</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	University
Cash flows from operating activities:	
Student tuition and fees	\$ 2,125,685,000
Federal grants and contracts	45,937,000
State grants and contracts	21,364,000
Local grants and contracts	7,138,000
Nongovernmental grants and contracts	10,196,000
Payments to suppliers	(1,204,403,000)
Payments to employees	(3,951,506,000)
Payments to students	(863,098,000)
Collections of student loans	3,806,000
Sales and services of educational activities	39,970,000
Sales and services of auxiliary enterprises	417,656,000
Other receipts	178,298,000
	<u>(3,168,957,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	2,345,696,000
Federal financial aid grants	887,986,000
State financial aid grants	521,801,000
Nongovernmental and other financial aid grants	34,791,000
Other federal nonoperating grants	4,108,000
Gifts and grants received for other than capital purposes	36,976,000
Federal loan program receipts	1,300,769,000
Federal loan program disbursements	(1,301,982,000)
Monies received on behalf of others	112,854,000
Monies disbursed on behalf of others	(118,561,000)
Other noncapital financing activities	75,568,000
	<u>3,900,006,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	464,372,000
State appropriations	36,488,000
State appropriations – SPWB Lease Revenue Bonds Program	104,566,000
Capital grants and gifts	24,393,000
Proceeds from sale of capital assets	164,000
Acquisition of capital assets	(526,947,000)
Issuance of notes receivable	(6,284,000)
Transfers to escrow agent	(349,703,000)
Principal paid on capital debt and leases	(171,309,000)
Interest paid on capital debt and leases	(216,097,000)
Principal collection on capital leases	12,150,000
Interest collection on capital leases	17,595,000
Principal collection on notes receivable	6,190,000
Interest collection on notes receivable	11,543,000
	<u>(592,879,000)</u>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	University
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 7,580,114,000
Purchases of investments	(7,743,216,000)
Investment income proceeds	20,721,000
	(142,381,000)
Net cash used in investing activities	(142,381,000)
Net decrease in cash and cash equivalents	(4,211,000)
Cash and cash equivalents at beginning of year	8,375,000
Cash and cash equivalents at end of year	\$ 4,164,000
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 4,074,000
Restricted cash and cash equivalents	90,000
Total cash and cash equivalents at end of year	\$ 4,164,000
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (3,700,767,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	423,797,000
Change in assets and liabilities:	
Accounts receivable, net	11,217,000
Notes receivable	4,825,000
Student loans receivable, net	(1,374,000)
Pledges receivable, net	(692,000)
Prepaid expenses and other assets	(3,511,000)
Accounts payable	(4,946,000)
Accrued salaries and benefits	18,838,000
Accrued compensated absences	10,425,000
Unearned revenue	15,728,000
Depository accounts	196,000
Other postemployment benefits obligation	47,995,000
Other liabilities	9,312,000
Net cash used in operating activities	\$ (3,168,957,000)
Supplemental schedule of noncash transactions:	
Proceeds to fund new SPWB capitalized leases held by State	\$ 174,857,000
Contributed capital assets	20,588,000
Amortization of loss on debt refundings	6,572,000
Change in accrued capital asset purchases	8,914,000
Increase in SPWB construction reserve funds held by State	16,090,000
Acquisition of capital assets through capitalized lease	2,485,000
Acquisition of capital assets through long-term debt obligations	1,140,000
Gifts in kind	1,020,000
Amortization of net bond premium	16,468,000
Capitalized interest applied against debt service	19,213,000
Notes receivable forgiven	4,825,000
Issuance of notes receivable through proceeds from long-term debt	40,464,000
Collection of notes receivable used to directly pay long-term debt	11,685,000
Proceeds from long-term debt received directly by discretely presented component units	40,464,000
Payment of long-term debt made directly by discretely presented component units	11,685,000

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2014

(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, 2014:

- 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, 2014

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 — an amendment of GASB Statement No. 34*, 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 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 79.0% 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, California State University, Bakersfield, Inc.
- 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.
- California State University Channel Islands Financing Authority*

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- 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
- CSULB 49er Foundation

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- 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, California State University, Northridge
- North Campus – University Park Development Corporation (Northridge)
- The University Corporation (Northridge)
- Cal Poly Pomona Foundation, Inc.
- Associated Students, Inc., California State Polytechnic University, Pomona
- The University Foundation at Sacramento State
- University Enterprises, Inc. (Sacramento)
- Associated Students of California State University, Sacramento
- University Union Operation of California State University, Sacramento
- Capital Public Radio, Inc. (Sacramento)
- Santos Manuel Student Union of California State University, San Bernardino
- Associated Students, Incorporated, California State University, San Bernardino
- CSUSB Philanthropic Foundation
- University Enterprises Corporation at CSUSB
- San Diego State University Research Foundation
- The Campanile Foundation (San Diego)
- Associated Students of San Diego State University

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- 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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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 student support. 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 Nos. 34 and 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 discretely presented component units, as discussed above. The effect of internal activities between funds or groups of funds has been eliminated from these financial statements.

(c) *New Accounting Pronouncements*

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for the University's fiscal year beginning July 1, 2014. This Statement revises existing standards for measuring and reporting pension liabilities for pension plans provided by the University to its employees. This Statement requires recognition of a liability equal to the net pension liability, which is measured as the total pension liability, less the amount of the pension plan's fiduciary net position.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (amendment of GASB Statement No. 68)*. This is effective for the University's fiscal year beginning July 1, 2014. This Statement states that if it is not practical to determine the beginning balances for deferred inflows of resources and deferred outflows of resources these should not be reported on the year of implementation of the standard.

The University is evaluating the effect that GASB Statement Nos. 68 and 71 will have on its financial statements.

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(d) Discretely Presented Component Units Restatements

The beginning net position of the discretely presented component units has been restated by \$6.2 million for reasons explained below. A summary of those 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, 2013, as previously reported	\$ 2,322,130,000
Adjustment due to ineligible grant claims for post retirement health benefits	(4,510,000)
Adjustment in OPEB obligation due to conversion from FASB to GASB	(1,120,000)
Other adjustments	<u>(572,000)</u>
Net position at beginning of year, as restated	<u>\$ 2,315,928,000</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 and 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 and 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. Certain transactions recorded as revenue or expenses in the accompanying Statement of Revenues, Expenses, and Changes in Net Position include transactions between the University and its discretely presented component units that are also participants in the CSU Consolidated Investment Pool. The University considers changes in the respective participant's equity in the CSU Consolidated Investment Pool resulting from these transactions to represent cash flows of the University in the accompanying Statement of Cash Flows.

(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.

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(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 receivable, state guidelines, historical losses adjusted to take into account current market conditions, the amount of receivable in dispute, the current receivable 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 ranges 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, 2014 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

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federal government has the ability to terminate its support of these programs at any time and to request that 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.

(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 California State University Risk Management Authority's (CSURMA) estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2014. 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

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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.

(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 Revenues 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 pursuant to IRC §115. 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, 2014 are classified in the accompanying Statement of Net Position as follows:

Cash and cash equivalents	\$ 4,074,000
Restricted cash and cash equivalents	<u>90,000</u>
Total cash and cash equivalents	<u>4,164,000</u>
Short-term investments	2,855,578,000
Endowment investments	16,218,000
Other long-term investments	<u>340,935,000</u>
Total investments	<u>3,212,731,000</u>
Total cash, cash equivalents, and investments	<u>\$ 3,216,895,000</u>

(a) Cash and Cash Equivalents

At June 30, 2014, 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 \$4,164,000 had a corresponding carrying balance with the State Treasury and commercial banks of \$15,825,000 at June 30, 2014. The difference was primarily related to deposits in transit and outstanding checks.

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Cash in demand deposit accounts is minimized by sweeping available cash balances into the CSU Consolidated Investment Pool on a daily basis.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of the failure of the custodian, the deposits may not be returned to the University. The University deposits are maintained at financial institution that are Federal Deposit Insurance Corporation (FDIC) secured. As a result, custodial credit risk for deposits is remote.

(b) Investments

At June 30, 2014, the University's investment portfolio consists primarily of investments in the State of California 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 University 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 quality domestic 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's investment guidelines manage its interest rate risk. The guidelines include limits on the maximum maturity of any individual investment in the portfolio and average duration of the portfolio. The effective maturity date reflects a bond with features such as a call, put or reset date, and prepayment speed resulting in the maturity of a bond being less than the final maturity date. Duration is a measure of the sensitivity of the price of fixed income investment relative to changes in interest rates. 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. Weighted average maturity is the average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount of the asset. As a result, the interest rate risk is remote. The weighted average maturity of the University's investment portfolio for each investment type as of June 30, 2014 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, 2014:

Investment type	Fair value	Weighted average maturity (in years)	Rating as of year-end			
			AAA	AA	A	Not rated
Money market	\$ 31,629,000	0.06	\$ 1,087,000	—	21,306,000	9,236,000
Repurchase agreements	2,274,000	—	—	—	2,042,000	232,000
Certificates of deposit	180,184,000	0.66	—	18,093,000	162,091,000	—
Commercial paper	3,646,000	0.03	—	—	3,646,000	—
U.S. agency securities	742,877,000	1.55	—	742,877,000	—	—
State of California:						
Surplus Money						
Investment Fund	441,900,000	0.64	—	—	—	441,900,000
Corporate and fixed income securities	1,011,356,000	2.08	210,093,000	221,929,000	579,334,000	—
U.S. Treasury securities	774,713,000	1.58	—	—	—	774,713,000
Municipal securities	21,856,000	2.02	—	21,856,000	—	—
Mortgage-backed securities	2,296,000	7.62	—	2,296,000	—	—
Total	<u>\$ 3,212,731,000</u>		<u>\$ 211,180,000</u>	<u>1,007,051,000</u>	<u>768,419,000</u>	<u>1,226,081,000</u>

By law, the University invests in low credit risk securities such as: U.S. government securities, securities of federally sponsored agencies, highly rated domestic corporate bonds, prime-rated commercial paper, repurchase and reverse repurchase agreements, banker's acceptance, and negotiable certificates of deposit. As a result, the credit risk is remote.

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

Concentration of credit risk rises as investments become concentrated relative to a portfolio characteristic such as issuance, issuer, market sector, counter-party, or sovereign nation and is best mitigated by diversification. The University's investment policy has concentration limits that provide sufficient diversification. As such, the concentration of credit risk is remote.

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As of June 30, 2014, 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 (\$254,651,000 or 7.9%), and Federal Home Loan Mortgage Corporation (\$227,281,000 or 7.1%).

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.

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Discretely Presented Component Units' Investments

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2014:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
State of California Local Agency			
Investment Fund	\$ 174,654,000	2,073,000	176,727,000
CSU Consolidated Investment Pool	77,331,000	734,000	78,065,000
Money market funds	64,745,000	12,220,000	76,965,000
Certificates of deposit	16,605,000	27,990,000	44,595,000
Mutual funds	151,937,000	897,835,000	1,049,772,000
Exchange traded funds	—	25,290,000	25,290,000
Common fund	1,595,000	20,292,000	21,887,000
Debt securities	25,837,000	110,469,000	136,306,000
Equity securities	35,332,000	231,725,000	267,057,000
Fixed income securities	17,130,000	225,732,000	242,862,000
Partnership interests	6,288,000	29,671,000	35,959,000
Alternative investments	937,000	80,562,000	81,499,000
Hedge funds	1,061,000	21,828,000	22,889,000
Real estate	955,000	41,527,000	42,482,000
Agency pass-through	969,000	—	969,000
Others	912,000	43,726,000	44,638,000
	<u>\$ 576,288,000</u>	<u>1,771,674,000</u>	<u>2,347,962,000</u>
Total			

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

Approximately \$40.5 million of the investments reported by the University in the Statement of Net Position at June 30, 2014 are invested under contractual agreements on behalf of the discretely presented component units of the University.

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(4) Accounts Receivable

Accounts receivable of the University at June 30, 2014 consisted of the following:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
State appropriations	\$ 1,581,000	16,914,000	18,495,000
State appropriation – SPWB Lease			
Revenue Bond program	3,641,000	278,158,000	281,799,000
Auxiliary organizations	36,091,000	2,542,000	38,633,000
Student accounts	43,451,000	—	43,451,000
Government grants and contracts	20,294,000	—	20,294,000
Others	45,738,000	994,000	46,732,000
	<u>150,796,000</u>	<u>298,608,000</u>	<u>449,404,000</u>
Less allowance for doubtful accounts	<u>(6,070,000)</u>	<u>—</u>	<u>(6,070,000)</u>
Total	<u>\$ 144,726,000</u>	<u>298,608,000</u>	<u>443,334,000</u>

(5) Leases Receivable

The University has entered into capital lease agreements with certain discretely presented component units to lease existing and newly constructed facilities to the discretely presented component units. Interest rates range from 1.50% to 5.55%. 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:		
2015	\$	29,305,000
2016		26,639,000
2017		26,930,000
2018		27,014,000
2019		27,039,000
2020–2024		144,956,000
2025–2029		145,181,000
2030–2034		114,458,000
2035–2039		36,895,000
2040–2044		22,465,000
2045–2049		4,495,000
Total minimum lease payments to be received		<u>605,377,000</u>
Less amounts representing interest		<u>(235,020,000)</u>
Present value of future minimum lease payments to be received		370,357,000
Less current portion		<u>(11,442,000)</u>
Lease receivable, net of current portion	\$	<u>358,915,000</u>

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Notes to Financial Statements

June 30, 2014

(6) Notes Receivable

The University has entered into note agreements with certain discretely presented component units to finance existing and newly constructed facilities for the discretely presented component units. Interest rates range from 0.39% to 5.45%. 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:	
2015	\$ 63,526,000
2016	32,794,000
2017	19,302,000
2018	19,308,000
2019	19,317,000
2020–2024	93,563,000
2025–2029	87,268,000
2030–2034	72,738,000
2035–2039	43,478,000
2040–2044	<u>6,497,000</u>
Total minimum note payments to be received	457,791,000
Less amounts representing interest	<u>(157,105,000)</u>
Present value of future minimum note payments to be received	300,686,000
Less current portion	<u>(51,319,000)</u>
Notes receivable, net of current portion	<u><u>\$ 249,367,000</u></u>

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Notes to Financial Statements

June 30, 2014

(7) Capital Assets

Capital assets activity for the University for the year ended June 30, 2014 consisted of the following:

	Beginning balance	Additions	Retirements	Transfers	Ending balance
Nondepreciable/nonamortizable capital assets:					
Land and land improvements	\$ 256,976,000	4,979,000	—	35,000	261,990,000
Works of art and historical treasures	28,697,000	1,647,000	(36,000)	33,000	30,341,000
Construction work in progress	553,977,000	393,143,000	(1,830,000)	(475,986,000)	469,304,000
Intangible assets	<u>6,691,000</u>	<u>7,606,000</u>	<u>(97,000)</u>	<u>(3,171,000)</u>	<u>11,029,000</u>
Total nondepreciable/ nonamortizable capital assets	<u>846,341,000</u>	<u>407,375,000</u>	<u>(1,963,000)</u>	<u>(479,089,000)</u>	<u>772,664,000</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	10,070,239,000	88,824,000	(15,794,000)	432,978,000	10,576,247,000
Improvements other than buildings	547,003,000	8,367,000	(25,000)	16,227,000	571,572,000
Infrastructure	974,641,000	12,283,000	(6,018,000)	16,803,000	997,709,000
Personal property:					
Equipment	712,195,000	47,839,000	(24,587,000)	9,846,000	745,293,000
Library books and materials	387,838,000	6,335,000	(2,518,000)	—	391,655,000
Intangible assets	<u>312,454,000</u>	<u>5,123,000</u>	<u>(3,040,000)</u>	<u>3,235,000</u>	<u>317,772,000</u>
Total depreciable/ amortizable capital assets	<u>13,004,370,000</u>	<u>168,771,000</u>	<u>(51,982,000)</u>	<u>479,089,000</u>	<u>13,600,248,000</u>
Total cost	<u>13,850,711,000</u>	<u>576,146,000</u>	<u>(53,945,000)</u>	<u>—</u>	<u>14,372,912,000</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(4,246,382,000)	(303,127,000)	1,294,000	—	(4,548,215,000)
Improvements other than buildings	(380,808,000)	(23,036,000)	—	—	(403,844,000)
Infrastructure	(386,783,000)	(31,655,000)	4,182,000	—	(414,256,000)
Personal property:					
Equipment	(509,386,000)	(47,312,000)	22,280,000	—	(534,418,000)
Library books and materials	(348,642,000)	(8,442,000)	2,592,000	—	(354,492,000)
Intangible assets	<u>(289,594,000)</u>	<u>(10,225,000)</u>	<u>2,444,000</u>	<u>—</u>	<u>(297,375,000)</u>
Total accumulated depreciation/ amortization	<u>(6,161,595,000)</u>	<u>(423,797,000)</u>	<u>32,792,000</u>	<u>—</u>	<u>(6,552,600,000)</u>
Net capital assets	\$ <u><u>7,689,116,000</u></u>	<u><u>152,349,000</u></u>	<u><u>(21,153,000)</u></u>	<u><u>—</u></u>	<u><u>7,820,312,000</u></u>

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Notes to Financial Statements

June 30, 2014

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2014 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	\$ 105,671,000	13,630,000	(7,823,000)	267,000	111,745,000
Works of art and historical treasures	8,264,000	44,000	—	93,000	8,401,000
Construction work in progress	14,077,000	14,236,000	(3,269,000)	(15,153,000)	9,891,000
Intangible assets	<u>5,082,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,082,000</u>
Total nondepreciable/ nonamortizable capital assets	<u>133,094,000</u>	<u>27,910,000</u>	<u>(11,092,000)</u>	<u>(14,793,000)</u>	<u>135,119,000</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	754,338,000	38,698,000	(18,530,000)	7,356,000	781,862,000
Improvements other than buildings	114,451,000	5,390,000	(10,162,000)	4,830,000	114,509,000
Infrastructure	67,575,000	—	(11,000)	—	67,564,000
Personal property:					
Equipment	187,636,000	17,694,000	(15,314,000)	5,461,000	195,477,000
Library books and materials	3,018,000	—	—	(3,018,000)	—
Intangible assets	<u>10,790,000</u>	<u>446,000</u>	<u>(729,000)</u>	<u>179,000</u>	<u>10,686,000</u>
Total depreciable/ amortizable capital assets	<u>1,137,808,000</u>	<u>62,228,000</u>	<u>(44,746,000)</u>	<u>14,808,000</u>	<u>1,170,098,000</u>
Total cost	<u>1,270,902,000</u>	<u>90,138,000</u>	<u>(55,838,000)</u>	<u>15,000</u>	<u>1,305,217,000</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(248,426,000)	(26,818,000)	4,394,000	(337,000)	(271,187,000)
Improvements other than buildings	(56,073,000)	(5,751,000)	8,203,000	(258,000)	(53,879,000)
Infrastructure	(14,067,000)	(1,689,000)	—	—	(15,756,000)
Personal property:					
Equipment	(147,746,000)	(13,265,000)	15,423,000	595,000	(144,993,000)
Intangible assets	<u>(7,755,000)</u>	<u>(806,000)</u>	<u>579,000</u>	<u>(15,000)</u>	<u>(7,997,000)</u>
Total accumulated depreciation/ amortization	<u>(474,067,000)</u>	<u>(48,329,000)</u>	<u>28,599,000</u>	<u>(15,000)</u>	<u>(493,812,000)</u>
Net capital assets	\$ <u>796,835,000</u>	<u>41,809,000</u>	<u>(27,239,000)</u>	<u>—</u>	<u>811,405,000</u>

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Notes to Financial Statements

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For additional information regarding the capital assets of the individual discretely presented component units 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 capital lease obligation related to the SPWB Lease Revenue Bond Program amounted to \$1,132,015,000. 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 \$808,064,000 at June 30, 2014. The leases bear interest at rates ranging from 2.00% to 12.62% 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

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Notes to Financial Statements

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June 30, 2014 were \$27,387,000 of which \$15,117,000 was paid to related discretely presented component units.

Future minimum lease payments under capital and operating leases having remaining terms in excess of one year as of June 30, 2014 are as follows:

	Capital leases	Operating leases
Year ending June 30:		
2015	\$ 132,459,000	23,737,000
2016	132,086,000	17,625,000
2017	127,679,000	16,501,000
2018	127,196,000	13,842,000
2019	103,219,000	10,551,000
2020–2024	439,038,000	30,890,000
2025–2029	385,756,000	16,373,000
2030–2034	347,503,000	9,941,000
2035–2039	149,000,000	3,031,000
2040–2044	4,775,000	968,000
2045–2049	—	397,000
2050–2054	—	178,000
2055–2059	—	32,000
2060–2099	—	257,000
	1,948,711,000	\$ 144,323,000
Less amount representing interest	(731,807,000)	
Present value of future minimum lease payments	1,216,904,000	
Unamortized net premium	33,370,000	
Total capital lease obligation	1,250,274,000	
Less current portion	(70,042,000)	
Capital lease obligation, net of current portion	\$ 1,180,232,000	

(9) Long-Term Debt Obligations

(a) General Obligation Bond Program

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

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Notes to Financial Statements

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Obligation Bond debt carried by the State related to the University projects is approximately \$2,604,535,000 as of June 30, 2014.

(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 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 certain campuses within the University 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 \$3,507,043,000 at June 30, 2014.

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 \$4,204,868,000 in Systemwide Revenue Bonds issued through fiscal year 2014.

(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, 2014 were 0.17% and 0.07%, respectively. The University's BANs totaled \$168,511,000 at June 30, 2014. The not-to-exceed amounts related to the outstanding amounts totaled \$254,225,000 of which \$71,899,000 has not been issued and \$13,815,000 has been issued and paid back.

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Notes to Financial Statements

June 30, 2014

Long-term debt obligations of the University as of June 30, 2014 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 – Q	3.00%	2019/20–2021/22	\$ 17,273,000	5,663,000
Systemwide Revenue Bonds, Series 2004A	3.50–5.25	2018/19–2026/27	57,435,000	34,665,000
Systemwide Revenue Bonds, Series 2005A	3.75–5.00	2016/17–2037/38	658,635,000	373,605,000
Systemwide Revenue Bonds, Series 2005B	5.00	2015/16–2021/22	134,805,000	61,380,000
Systemwide Revenue Bonds, Series 2005C	4.50–5.25	2017/18–2038/39	540,900,000	365,800,000
Systemwide Revenue Bonds, Series 2007A	4.00–5.00	2024/25–2044/45	254,770,000	239,395,000
Systemwide Revenue Bonds, Series 2007B	5.27–5.55	2027/28–2037/38	13,165,000	11,375,000
Systemwide Revenue Bonds, Series 2007C	5.00	2020/21–2028/29	63,275,000	50,875,000
Systemwide Revenue Bonds, Series 2007D	4.00–5.00	2037/38	80,360,000	73,105,000
Systemwide Revenue Bonds, Series 2008A	3.50–5.00	2022/23–2039/40	375,160,000	342,945,000
Systemwide Revenue Bonds, Series 2009A	3.50–6.00	2015/16–2040/41	465,365,000	441,265,000
Systemwide Revenue Bonds, Series 2010A	3.00–5.00	2019/20–2031/32	146,950,000	127,255,000
Systemwide Revenue Bonds, Series 2010B	5.45–6.48	2035/36–2041/42	205,145,000	205,145,000
Systemwide Revenue Bonds, Series 2011A	2.50–5.25	2020/21–2042/43	429,855,000	413,815,000
Systemwide Revenue Bonds, Series 2012A	0.39–5.00	2021/22–2042/43	436,220,000	435,550,000
Systemwide Revenue Bonds, Series 2012B	2.79–4.17	2036/37	16,700,000	16,350,000
Systemwide Revenue Bonds, Series 2013A	1.50–5.00	2024/25 – 2026/27	<u>308,855,000</u>	<u>308,855,000</u>
			4,204,868,000	3,507,043,000
Bond Anticipation Notes	Variable	2014/15 – 2018/19	182,326,000	168,511,000
Others	Variable	Various	<u>122,057,000</u>	<u>72,898,000</u>
Total			\$ <u><u>4,509,251,000</u></u>	3,748,452,000

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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				\$ 156,073,000
Total long-term debt				3,904,525,000
Less current portion				<u>(260,601,000)</u>
Long-term debt, net of current portion				<u>\$ 3,643,924,000</u>

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

	<u>Principal</u>	<u>Interest</u>
2015	\$ 260,601,000	173,866,000
2016	122,824,000	169,315,000
2017	115,442,000	164,380,000
2018	120,135,000	159,281,000
2019	124,397,000	153,958,000
2020–2024	651,890,000	676,577,000
2025–2029	736,617,000	505,922,000
2030–2034	805,920,000	309,247,000
2035–2039	610,830,000	125,581,000
2040–2044	195,400,000	17,795,000
2045–2049	4,396,000	99,000
	<u>\$ 3,748,452,000</u>	<u>2,456,021,000</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 July 2013, the University partially defeased certain (Series 2005A and 2005C) Systemwide Revenue Bonds by placing a portion of the proceeds from the issuance of the Systemwide Revenue Bonds Series 2013A refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. The proceeds from the Series 2013A 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 \$22,391,000 over the life of the bonds. The economic gain

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(difference between net present values of the debt service payments on the old debt and new debt) from these transactions was approximately \$19,188,000. 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 as of date of refunding totaled \$317,130,000.

The unamortized loss on the refundings of \$44,680,000 was included in deferred outflows of resources in the Statement of Net Position. 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, 2014 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 205,815,000	134,513,000	(122,085,000)	218,243,000	119,690,000
Capitalized lease obligations (note 8)	1,145,638,000	177,397,000	(72,761,000)	1,250,274,000	70,042,000
Long-term debt obligations (note 9):					
Systemwide Revenue Bonds	3,604,708,000	308,863,000	(406,528,000)	3,507,043,000	96,090,000
Bond Anticipation Notes	27,055,000	153,271,000	(11,815,000)	168,511,000	153,541,000
Others	80,352,000	5,291,000	(12,745,000)	72,898,000	10,970,000
	<u>3,712,115,000</u>	<u>467,425,000</u>	<u>(431,088,000)</u>	<u>3,748,452,000</u>	<u>260,601,000</u>
Unamortized bond premium	<u>133,989,000</u>	<u>42,137,000</u>	<u>(20,053,000)</u>	<u>156,073,000</u>	<u>—</u>
Total long-term debt obligations	<u>3,846,104,000</u>	<u>509,562,000</u>	<u>(451,141,000)</u>	<u>3,904,525,000</u>	<u>260,601,000</u>
Total long-term liabilities	<u>\$ 5,197,557,000</u>	<u>821,472,000</u>	<u>(645,987,000)</u>	<u>5,373,042,000</u>	<u>450,333,000</u>

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Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2014 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 17,525,000	12,103,000	(12,083,000)	17,545,000	14,074,000
Claims liability for losses and loss adjustment expenses	88,157,000	53,198,000	(40,989,000)	100,366,000	32,971,000
Capitalized lease obligations	385,824,000	11,777,000	(21,675,000)	375,926,000	15,906,000
Long-term debt obligations:					
Revenue bonds	45,535,000	—	(5,025,000)	40,510,000	2,253,000
Commercial paper	83,176,000	811,825,000	(713,851,000)	181,150,000	160,895,000
Notes payable	214,090,000	46,748,000	(22,010,000)	238,828,000	7,110,000
Others	103,026,000	6,978,000	(7,259,000)	102,745,000	2,284,000
	<u>445,827,000</u>	<u>865,551,000</u>	<u>(748,145,000)</u>	<u>563,233,000</u>	<u>172,542,000</u>
Unamortized bond premium	9,697,000	381,000	(618,000)	9,460,000	—
Total long-term debt obligations	<u>455,524,000</u>	<u>865,932,000</u>	<u>(748,763,000)</u>	<u>572,693,000</u>	<u>172,542,000</u>
Total long-term liabilities	\$ <u>947,030,000</u>	<u>943,010,000</u>	<u>(823,510,000)</u>	<u>1,066,530,000</u>	<u>235,493,000</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 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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Notes to Financial Statements

June 30, 2014

Funding Policy

University personnel are required to contribute 5.0% of their annual earnings in excess of \$513 per month to CalPERS. Effective January 1, 2013, all new employees that are considered “new members” to CalPERS are required to contribute 50% of the normal cost for their category (e.g., State Miscellaneous Member is 6.0% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate; the current rate for State Miscellaneous is approximately 24.3% of annual covered payroll. The contribution requirements of the plan members are established and may be amended by CalPERS. The contractual maximum contribution required for the University is determined by the annual CalPERS compensation limit(s) which are based on provisions of Assembly Bill (AB) 340 and the Internal Revenue Code (IRC) 401 (a) 17 limits.

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

2012	\$ 411,926,000
2013	462,607,000
2014	493,922,000

(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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2014

Funding Policy

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

The University is responsible for 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 years ended 2014, 2013, and 2012 :

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual required contribution (ARC):			
Billable accounts	\$ 38,942,000	35,602,000	32,802,000
Nonbillable accounts (dental only)	40,057,000	40,055,000	39,710,000
Total ARC	<u>78,999,000</u>	<u>75,657,000</u>	<u>72,512,000</u>
Contributions:			
Billable accounts	(14,584,000)	(13,175,000)	(12,385,000)
Nonbillable accounts (dental only)	(16,420,000)	(16,051,000)	(16,085,000)
Total contributions	<u>(31,004,000)</u>	<u>(29,226,000)</u>	<u>(28,470,000)</u>
Increase in net OPEB obligation (NOO)	47,995,000	46,431,000	44,042,000
NOO – beginning of year	<u>219,018,000</u>	<u>172,587,000</u>	<u>128,545,000</u>
NOO – end of year:			
Billable accounts	127,308,000	102,950,000	80,523,000
Nonbillable accounts (dental only)	139,705,000	116,068,000	92,064,000
Total NOO	<u>\$ 267,013,000</u>	<u>219,018,000</u>	<u>172,587,000</u>
Percentage of annual OPEB cost contributed during the years ended June 30, 2014, 2013 and 2012	39.2%	38.6%	39.3%

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2014

Actuarial Methods and Assumptions and Plan Funding Information

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

Projections of benefits for financial statement reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the State and the plan members to that point. The actuarial methods and assumptions used are consistent with a long-term perspective. In the June 30, 2013 actuarial valuation, the individual entry age normal cost method was used. The actuarial assumptions included a 4.25% investment rate of return, and 4.25% discount rate. Both rates included a 2.75% annual inflation assumption. Annual wage inflation is assumed to be 3.00%. 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 2014.

(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, 2014. 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, 2014.

The information of the change in claims liability for losses and loss adjustment expenses may be obtained from the separate financial statements issued for CSURMA.

(14) Commitments and Contingencies

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2014

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

Authorized but unexpended expenditures for construction projects as of June 30, 2014 totaled \$265,118,000. 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 and Shell Energy North America, respectively. The University's obligation under these special purchase arrangements requires it to purchase an estimated total of \$22,728,000 and \$21,195,000 of natural gas and electricity at fixed prices through June 2017 and December 2015, respectively. The University estimates that the special purchase contracts in place represent approximately 28.0% and 13.5% 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, 2014, 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	\$ 1,455,211,000	598,769,000	—	196,238,000	—	2,250,218,000
Research	20,213,000	7,752,000	—	17,341,000	—	45,306,000
Public service	29,596,000	7,962,000	—	16,276,000	—	53,834,000
Academic support	328,708,000	145,603,000	—	157,770,000	—	632,081,000
Student services	345,835,000	157,785,000	—	193,861,000	—	697,481,000
Institutional support	346,344,000	160,130,000	—	179,585,000	—	686,059,000
Operation and maintenance of plant	186,267,000	104,416,000	—	289,766,000	—	580,449,000
Student grants and scholarships	—	—	857,856,000	—	—	857,856,000
Auxiliary enterprise expenses	69,185,000	51,877,000	—	186,363,000	—	307,425,000
Depreciation and amortization	—	—	—	—	423,797,000	423,797,000
Total	<u>\$ 2,781,359,000</u>	<u>1,234,294,000</u>	<u>857,856,000</u>	<u>1,237,200,000</u>	<u>423,797,000</u>	<u>6,534,506,000</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2014

(16) Transactions with Related Entities

The University is an agency of the State and receives about 34.4% of total revenues through state appropriations. State appropriations allocated to the University aggregated approximately \$2,347,651,000 for the year ended June 30, 2014. State appropriations receivable aggregated \$300,294,000 at June 30, 2014.

(17) Subsequent Events

In August 2014, the University issued its Systemwide Revenue Bonds Series 2014A with a par amount of \$747,740,000 and net proceeds of \$850,450,000. The proceeds were used to refund certain maturities of Systemwide Revenue Bonds Series 2004A, 2005A, and 2005C of \$496,377,000, fund new capital projects of \$178,468,000, payment of Bond Anticipation Notes of \$153,168,000, refund outstanding bond indebtedness issued by the discretely presented component unit of \$2,896,000, capitalized interest of \$18,541,000, and cost of issuance of \$1,000,000.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 1,056,000	4,411,000	5,467,000
Short-term investments	65,397,000	812,000	66,209,000
Accounts receivable, net	11,158,000	2,209,000	13,367,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	41,000	41,000
Prepaid expenses and other assets	245,000	27,000	272,000
Total current assets	<u>77,856,000</u>	<u>7,500,000</u>	<u>85,356,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	3,684,000	—	3,684,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,408,000	—	1,408,000
Pledges receivable, net	—	1,564,000	1,564,000
Endowment investments	—	19,553,000	19,553,000
Other long-term investments	907,000	11,655,000	12,562,000
Capital assets, net	139,931,000	2,352,000	142,283,000
Other assets	19,000	—	19,000
Total noncurrent assets	<u>145,949,000</u>	<u>35,124,000</u>	<u>181,073,000</u>
Total assets	<u>223,805,000</u>	<u>42,624,000</u>	<u>266,429,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>7,000</u>	<u>—</u>	<u>7,000</u>
Liabilities			
Current liabilities:			
Accounts payable	3,156,000	1,072,000	4,228,000
Accrued salaries and benefits	5,977,000	27,000	6,004,000
Accrued compensated absences, current portion	2,248,000	180,000	2,428,000
Unearned revenue	1,587,000	1,200,000	2,787,000
Capitalized lease obligations, current portion	1,125,000	—	1,125,000
Long-term debt obligations, current portion	29,879,000	29,000	29,908,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	94,000	—	94,000
Other liabilities	1,233,000	867,000	2,100,000
Total current liabilities	<u>45,299,000</u>	<u>3,375,000</u>	<u>48,674,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,245,000	—	2,245,000
Unearned revenue	—	—	—
Grants refundable	2,049,000	—	2,049,000
Capitalized lease obligations, net of current portion	1,137,000	—	1,137,000
Long-term debt obligations, net of current portion	29,739,000	14,000	29,753,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	1,838,000	2,395,000	4,233,000
Other liabilities	22,000	—	22,000
Total noncurrent liabilities	<u>37,030,000</u>	<u>2,409,000</u>	<u>39,439,000</u>
Total liabilities	<u>82,329,000</u>	<u>5,784,000</u>	<u>88,113,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	89,623,000	2,308,000	91,931,000
Restricted for:			
Nonexpendable – endowments	—	13,677,000	13,677,000
Expendable:			
Scholarships and fellowships	55,000	6,933,000	6,988,000
Research	—	—	—
Loans	—	—	—
Capital projects	6,022,000	—	6,022,000
Debt service	7,000	—	7,000
Other	62,000	5,614,000	5,676,000
Unrestricted	45,714,000	8,308,000	54,022,000
Total net position	<u>\$ 141,483,000</u>	<u>36,840,000</u>	<u>178,323,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$32,462,000)	\$ 21,789,000	5,204,000	(2,367,000)	24,626,000
Grants and contracts, noncapital:				
Federal	3,058,000	6,442,000	—	9,500,000
State	562,000	153,000	—	715,000
Local	45,000	122,000	—	167,000
Nongovernmental	830,000	605,000	(279,000)	1,156,000
Sales and services of educational activities	684,000	—	—	684,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$940,000)	5,645,000	327,000	(129,000)	5,843,000
Other operating revenues	350,000	4,350,000	—	4,700,000
Total operating revenues	<u>32,963,000</u>	<u>17,203,000</u>	<u>(2,775,000)</u>	<u>47,391,000</u>
Expenses:				
Operating expenses:				
Instruction	40,150,000	52,000	—	40,202,000
Research	147,000	894,000	—	1,041,000
Public service	263,000	1,377,000	—	1,640,000
Academic support	14,587,000	3,590,000	—	18,177,000
Student services	17,173,000	7,794,000	(2,496,000)	22,471,000
Institutional support	13,013,000	4,658,000	(279,000)	17,392,000
Operation and maintenance of plant	10,195,000	3,153,000	(3,046,000)	10,302,000
Student grants and scholarships	17,908,000	2,100,000	—	20,008,000
Auxiliary enterprise expenses	3,706,000	—	—	3,706,000
Depreciation and amortization	7,428,000	285,000	—	7,713,000
Total operating expenses	<u>124,570,000</u>	<u>23,903,000</u>	<u>(5,821,000)</u>	<u>142,652,000</u>
Operating loss	<u>(91,607,000)</u>	<u>(6,700,000)</u>	<u>3,046,000</u>	<u>(95,261,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	52,390,000	—	—	52,390,000
Federal financial aid grants, noncapital	22,305,000	—	—	22,305,000
State financial aid grants, noncapital	12,404,000	—	—	12,404,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	401,000	—	—	401,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	646,000	5,728,000	—	6,374,000
Investment income, net	545,000	1,020,000	—	1,565,000
Endowment income, net	—	3,138,000	—	3,138,000
Interest expense	(1,161,000)	—	—	(1,161,000)
Other nonoperating revenues (expenses)	2,595,000	(1,000)	—	2,594,000
Net nonoperating revenues	<u>90,125,000</u>	<u>9,885,000</u>	<u>—</u>	<u>100,010,000</u>
Income (loss) before other revenues and expenses	<u>(1,482,000)</u>	<u>3,185,000</u>	<u>3,046,000</u>	<u>4,749,000</u>
State appropriations, capital	2,317,000	—	—	2,317,000
Grants and gifts, capital	3,494,000	—	(3,046,000)	448,000
Additions to permanent endowments	—	863,000	—	863,000
Increase in net position	<u>4,329,000</u>	<u>4,048,000</u>	<u>—</u>	<u>8,377,000</u>
Net position:				
Net position at beginning of year, as previously reported	137,154,000	32,792,000	—	169,946,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>137,154,000</u>	<u>32,792,000</u>	<u>—</u>	<u>169,946,000</u>
Net position at end of year	<u>\$ 141,483,000</u>	<u>36,840,000</u>	<u>—</u>	<u>178,323,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 22,893,000
Federal grants and contracts	3,565,000
State grants and contracts	562,000
Local grants and contracts	45,000
Nongovernmental grants and contracts	830,000
Payments to suppliers	(22,403,000)
Payments to employees	(75,764,000)
Payments to students	(18,183,000)
Collections of student loans	395,000
Sales and services of educational activities	684,000
Sales and services of auxiliary enterprises	5,645,000
Other receipts	1,194,000
	<u>(80,537,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	52,390,000
Federal financial aid grants	22,305,000
State financial aid grants	12,404,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	401,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	646,000
Federal loan program receipts	28,959,000
Federal loan program disbursements	(28,743,000)
Monies received on behalf of others	3,094,000
Monies disbursed on behalf of others	(2,978,000)
Other noncapital financing activities	1,937,000
	<u>90,415,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	187,000
State appropriations	110,000
State appropriations – SPWB Lease Revenue Bonds program	16,144,000
Capital grants and gifts	378,000
Proceeds from sale of capital assets	7,000
Acquisition of capital assets	(19,604,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,683,000)
Interest paid on capital debt and leases	(1,180,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(5,641,000)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 162,770,000
Purchases of investments	(165,960,000)
Investment income proceeds	4,000
	<u>(3,186,000)</u>
Net cash used in investing activities	(3,186,000)
Net increase in cash and cash equivalents	1,051,000
Cash and cash equivalents at beginning of year	5,000
Cash and cash equivalents at end of year	<u>\$ 1,056,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,056,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 1,056,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (91,607,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	7,428,000
Change in assets and liabilities:	
Accounts receivable, net	1,790,000
Notes receivable	—
Student loans receivable, net	120,000
Pledges receivable, net	—
Prepaid expenses and other assets	(72,000)
Accounts payable	746,000
Accrued salaries and benefits	118,000
Accrued compensated absences	304,000
Unearned revenue	665,000
Depository accounts	—
Other postemployment benefits obligation	268,000
Other liabilities	(297,000)
Net cash used in operating activities	<u>\$ (80,537,000)</u>
Supplemental schedule of noncash transactions:	
Acquisition of capital assets through long-term debt obligations	\$ 26,540,000
Contributed capital assets	3,117,000
Change in accrued capital asset purchases	1,600,000
Capital assets paid by the Office of the Chancellor	685,000
Change in accrued liabilities for amounts held in Agency Funds	222,000
Amortization of net bond premium	17,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,851,000
Payments from discretely presented component units for other than salaries	6,557,000
Payments to discretely presented component units for services, space, and programs	18,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	736,000
Other amounts receivable from discretely presented component units	65,000
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	(5,000)
Payments to the Office of the Chancellor for administrative activities	399,000
Payments to the Office of the Chancellor for state pro rata charges	339,000
Accounts receivable from the Office of the Chancellor	175,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	6,774,000
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	626,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6,000	3,398,000	3,404,000
Short-term investments	41,364,000	99,000	41,463,000
Accounts receivable, net	4,907,000	4,926,000	9,833,000
Leases receivable, current portion	1,380,000	—	1,380,000
Notes receivable, current portion	865,000	—	865,000
Pledges receivable, net	—	445,000	445,000
Prepaid expenses and other assets	959,000	148,000	1,107,000
Total current assets	<u>49,481,000</u>	<u>9,016,000</u>	<u>58,497,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	8,375,000	8,375,000
Accounts receivable, net	32,667,000	—	32,667,000
Leases receivable, net of current portion	135,205,000	—	135,205,000
Notes receivable, net of current portion	60,390,000	—	60,390,000
Student loans receivable, net	—	—	—
Pledges receivable, net	—	1,299,000	1,299,000
Endowment investments	—	7,077,000	7,077,000
Other long-term investments	293,000	7,193,000	7,486,000
Capital assets, net	304,940,000	110,960,000	415,900,000
Other assets	3,980,000	4,953,000	8,933,000
Total noncurrent assets	<u>537,475,000</u>	<u>139,857,000</u>	<u>677,332,000</u>
Total assets	<u>586,956,000</u>	<u>148,873,000</u>	<u>735,829,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>2,367,000</u>	<u>—</u>	<u>2,367,000</u>
Liabilities			
Current liabilities:			
Accounts payable	4,606,000	1,240,000	5,846,000
Accrued salaries and benefits	3,854,000	126,000	3,980,000
Accrued compensated absences, current portion	2,257,000	16,000	2,273,000
Unearned revenue	1,866,000	16,000	1,882,000
Capitalized lease obligations, current portion	2,097,000	1,380,000	3,477,000
Long-term debt obligations, current portion	3,832,000	884,000	4,716,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	4,686,000	3,931,000	8,617,000
Total current liabilities	<u>23,198,000</u>	<u>7,593,000</u>	<u>30,791,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,335,000	160,000	2,495,000
Unearned revenue	—	—	—
Grants refundable	—	—	—
Capitalized lease obligations, net of current portion	6,620,000	135,356,000	141,976,000
Long-term debt obligations, net of current portion	266,518,000	60,648,000	327,166,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	316,000	316,000
Other postemployment benefits obligation	—	—	—
Other liabilities	—	486,000	486,000
Total noncurrent liabilities	<u>275,473,000</u>	<u>196,966,000</u>	<u>472,439,000</u>
Total liabilities	<u>298,671,000</u>	<u>204,559,000</u>	<u>503,230,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	167,832,000	(21,100,000)	146,732,000
Restricted for:			
Nonexpendable – endowments	—	7,161,000	7,161,000
Expendable:			
Scholarships and fellowships	4,000	983,000	987,000
Research	—	78,000	78,000
Loans	—	93,000	93,000
Capital projects	31,378,000	—	31,378,000
Debt service	—	6,000	6,000
Other	231,000	15,222,000	15,453,000
Unrestricted	<u>91,207,000</u>	<u>(58,129,000)</u>	<u>33,078,000</u>
Total net position	<u>\$ 290,652,000</u>	<u>(55,686,000)</u>	<u>234,966,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

	<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 \$9,883,000)	\$ 27,872,000	1,127,000	—	28,999,000
Grants and contracts, noncapital:				
Federal	3,428,000	—	—	3,428,000
State	989,000	—	—	989,000
Local	16,000	—	—	16,000
Nongovernmental	632,000	—	—	632,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,599,000)	10,518,000	—	—	10,518,000
Other operating revenues	1,575,000	27,382,000	—	28,957,000
Total operating revenues	<u>45,030,000</u>	<u>28,509,000</u>	<u>—</u>	<u>73,539,000</u>
Expenses:				
Operating expenses:				
Instruction	36,051,000	971,000	(84,000)	36,938,000
Research	1,460,000	7,000	—	1,467,000
Public service	26,000	3,082,000	—	3,108,000
Academic support	9,880,000	32,000	—	9,912,000
Student services	10,767,000	979,000	—	11,746,000
Institutional support	13,582,000	2,726,000	—	16,308,000
Operation and maintenance of plant	15,939,000	82,000	—	16,021,000
Student grants and scholarships	10,296,000	333,000	—	10,629,000
Auxiliary enterprise expenses	7,531,000	14,068,000	—	21,599,000
Depreciation and amortization	11,064,000	4,768,000	—	15,832,000
Total operating expenses	<u>116,596,000</u>	<u>27,048,000</u>	<u>(84,000)</u>	<u>143,560,000</u>
Operating income (loss)	<u>(71,566,000)</u>	<u>1,461,000</u>	<u>84,000</u>	<u>(70,021,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	55,031,000	—	—	55,031,000
Federal financial aid grants, noncapital	10,482,000	—	—	10,482,000
State financial aid grants, noncapital	5,949,000	—	—	5,949,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	86,000	—	86,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	84,000	1,408,000	(25,000)	1,467,000
Investment income, net	304,000	1,905,000	—	2,209,000
Endowment income, net	—	—	—	—
Interest expense	(13,071,000)	(6,674,000)	—	(19,745,000)
Other nonoperating revenues	4,795,000	4,980,000	—	9,775,000
Net nonoperating revenues	<u>63,574,000</u>	<u>1,705,000</u>	<u>(25,000)</u>	<u>65,254,000</u>
Income (loss) before other revenues and expenses	<u>(7,992,000)</u>	<u>3,166,000</u>	<u>59,000</u>	<u>(4,767,000)</u>
State appropriations, capital	37,961,000	—	—	37,961,000
Grants and gifts, capital	69,000	—	(59,000)	10,000
Additions to permanent endowments	—	207,000	—	207,000
Increase in net position	<u>30,038,000</u>	<u>3,373,000</u>	<u>—</u>	<u>33,411,000</u>
Net position:				
Net position at beginning of year, as previously reported	260,614,000	(59,059,000)	—	201,555,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>260,614,000</u>	<u>(59,059,000)</u>	<u>—</u>	<u>201,555,000</u>
Net position at end of year	<u>\$ 290,652,000</u>	<u>(55,686,000)</u>	<u>—</u>	<u>234,966,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 28,940,000
Federal grants and contracts	3,555,000
State grants and contracts	989,000
Local grants and contracts	16,000
Nongovernmental grants and contracts	632,000
Payments to suppliers	(23,938,000)
Payments to employees	(71,241,000)
Payments to students	(10,296,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	10,566,000
Other payments	(657,000)
	<u>(61,434,000)</u>
Net cash used in operating activities	
Cash flows from noncapital financing activities:	
State appropriations	55,031,000
Federal financial aid grants	10,482,000
State financial aid grants	5,949,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	84,000
Federal loan program receipts	—
Federal loan program disbursements	—
Monies received on behalf of others	—
Monies disbursed on behalf of others	803,000
Other noncapital financing activities	4,124,000
	<u>76,473,000</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from capital debt	24,995,000
State appropriations	2,990,000
State appropriations – SPWB Lease Revenue Bonds program	5,803,000
Capital grants and gifts	69,000
Proceeds from sale of capital assets	(200,000)
Acquisition of capital assets	(10,343,000)
Issuance of notes receivable	—
Transfers to escrow agent	(24,865,000)
Principal paid on capital debt and leases	(5,223,000)
Interest paid on capital debt and leases	(13,178,000)
Principal collection on capital leases	1,060,000
Interest collection on capital leases	6,720,000
Principal collection on notes receivable	690,000
Interest collection on notes receivable	2,727,000
	<u>(8,755,000)</u>
Net cash used in capital and related financing activities	

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 158,972,000
Purchases of investments	(165,289,000)
Investment income proceeds	—
	<u> </u>
Net cash used in investing activities	(6,317,000)
	<u> </u>
Net decrease in cash and cash equivalents	(33,000)
Cash and cash equivalents at beginning of year	39,000
	<u> </u>
Cash and cash equivalents at end of year	<u>\$ 6,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 6,000
Restricted cash and cash equivalents	—
	<u> </u>
Total cash and cash equivalents at end of year	<u>\$ 6,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (71,566,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,064,000
Change in assets and liabilities:	
Accounts receivable, net	595,000
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	508,000
Accounts payable	(1,780,000)
Accrued salaries and benefits	458,000
Accrued compensated absences	870,000
Unearned revenue	(903,000)
Depository accounts	—
Other postemployment benefits obligation	—
Other liabilities	(680,000)
	<u> </u>
Net cash used in operating activities	<u>\$ (61,434,000)</u>
Supplemental schedule of noncash transactions:	
Amortization of net bond premium	\$ 933,000
Change in accrued capital asset purchases	112,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 693,000
Payments from discretely presented component units for other than salaries	12,073,000
Payments to discretely presented component units for services, space, and programs	4,478,000
Gifts in kind from discretely presented component units	25,000
Gifts (cash or assets) from discretely presented component units	59,000
Accounts receivable from discretely presented component units	2,230,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,314,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	771,000
Payments to the Office of the Chancellor for state pro rata charges	23,000
Accounts receivable from the Office of the Chancellor	46,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	114,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 5,000	2,154,000	2,159,000
Short-term investments	119,107,000	27,925,000	147,032,000
Accounts receivable, net	2,915,000	7,343,000	10,258,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	2,000	2,000
Pledges receivable, net	—	—	—
Prepaid expenses and other assets	1,296,000	608,000	1,904,000
Total current assets	<u>123,323,000</u>	<u>38,032,000</u>	<u>161,355,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	323,000	323,000
Accounts receivable, net	43,318,000	—	43,318,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	120,000	120,000
Student loans receivable, net	4,860,000	550,000	5,410,000
Pledges receivable, net	—	693,000	693,000
Endowment investments	—	36,112,000	36,112,000
Other long-term investments	9,127,000	35,519,000	44,646,000
Capital assets, net	280,481,000	15,875,000	296,356,000
Other assets	2,000	786,000	788,000
Total noncurrent assets	<u>337,788,000</u>	<u>89,978,000</u>	<u>427,766,000</u>
Total assets	<u>461,111,000</u>	<u>128,010,000</u>	<u>589,121,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	427,000	—	427,000
Liabilities			
Current liabilities:			
Accounts payable	7,019,000	2,994,000	10,013,000
Accrued salaries and benefits	11,308,000	1,209,000	12,517,000
Accrued compensated absences, current portion	4,712,000	266,000	4,978,000
Unearned revenue	6,384,000	184,000	6,568,000
Capitalized lease obligations, current portion	19,000	—	19,000
Long-term debt obligations, current portion	3,720,000	1,171,000	4,891,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	145,000	—	145,000
Other liabilities	2,006,000	608,000	2,614,000
Total current liabilities	<u>35,313,000</u>	<u>6,432,000</u>	<u>41,745,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,394,000	111,000	2,505,000
Unearned revenue	—	4,077,000	4,077,000
Grants refundable	7,219,000	—	7,219,000
Capitalized lease obligations, net of current portion	22,000	—	22,000
Long-term debt obligations, net of current portion	144,788,000	3,030,000	147,818,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	550,000	148,000	698,000
Other postemployment benefits obligation	5,403,000	1,860,000	7,263,000
Other liabilities	—	642,000	642,000
Total noncurrent liabilities	<u>160,376,000</u>	<u>9,868,000</u>	<u>170,244,000</u>
Total liabilities	<u>195,689,000</u>	<u>16,300,000</u>	<u>211,989,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	132,359,000	12,060,000	144,419,000
Restricted for:			
Nonexpendable – endowments	—	36,112,000	36,112,000
Expendable:			
Scholarships and fellowships	—	18,207,000	18,207,000
Research	—	1,096,000	1,096,000
Loans	—	600,000	600,000
Capital projects	41,559,000	707,000	42,266,000
Debt service	—	—	—
Other	1,000	10,292,000	10,293,000
Unrestricted	91,930,000	32,636,000	124,566,000
Total net position	<u>\$ 265,849,000</u>	<u>111,710,000</u>	<u>377,559,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$46,945,000)	\$ 75,024,000	5,804,000	—	80,828,000
Grants and contracts, noncapital:				
Federal	—	18,562,000	—	18,562,000
State	16,000	4,310,000	—	4,326,000
Local	—	1,379,000	—	1,379,000
Nongovernmental	—	3,627,000	—	3,627,000
Sales and services of educational activities	135,000	2,831,000	—	2,966,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,571,000)	21,028,000	21,280,000	—	42,308,000
Other operating revenues	6,243,000	6,623,000	(329,000)	12,537,000
Total operating revenues	<u>102,446,000</u>	<u>64,416,000</u>	<u>(329,000)</u>	<u>166,533,000</u>
Expenses:				
Operating expenses:				
Instruction	82,695,000	4,195,000	(48,000)	86,842,000
Research	1,044,000	2,073,000	—	3,117,000
Public service	1,359,000	22,468,000	—	23,827,000
Academic support	24,059,000	4,877,000	(12,000)	28,924,000
Student services	23,311,000	5,314,000	(375,000)	28,250,000
Institutional support	21,771,000	6,633,000	(1,000)	28,403,000
Operation and maintenance of plant	23,067,000	3,169,000	(521,000)	25,715,000
Student grants and scholarships	29,763,000	1,493,000	(1,408,000)	29,848,000
Auxiliary enterprise expenses	17,581,000	18,160,000	(6,000)	35,735,000
Depreciation and amortization	14,746,000	1,774,000	—	16,520,000
Total operating expenses	<u>239,396,000</u>	<u>70,156,000</u>	<u>(2,371,000)</u>	<u>307,181,000</u>
Operating loss	<u>(136,950,000)</u>	<u>(5,740,000)</u>	<u>2,042,000</u>	<u>(140,648,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	90,208,000	—	—	90,208,000
Federal financial aid grants, noncapital	32,693,000	—	—	32,693,000
State financial aid grants, noncapital	16,888,000	—	—	16,888,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,563,000	—	(1,487,000)	76,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	24,000	4,173,000	(26,000)	4,171,000
Investment income, net	1,040,000	1,536,000	—	2,576,000
Endowment income, net	—	4,896,000	—	4,896,000
Interest expense	(7,369,000)	(176,000)	—	(7,545,000)
Other nonoperating revenues	1,823,000	902,000	—	2,725,000
Net nonoperating revenues	<u>136,870,000</u>	<u>11,331,000</u>	<u>(1,513,000)</u>	<u>146,688,000</u>
Income (loss) before other revenues and expenses	(80,000)	5,591,000	529,000	6,040,000
State appropriations, capital	52,891,000	—	—	52,891,000
Grants and gifts, capital	594,000	1,161,000	(529,000)	1,226,000
Additions to permanent endowments	—	463,000	—	463,000
Increase in net position	<u>53,405,000</u>	<u>7,215,000</u>	<u>—</u>	<u>60,620,000</u>
Net position:				
Net position at beginning of year, as previously reported	212,444,000	104,495,000	—	316,939,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>212,444,000</u>	<u>104,495,000</u>	<u>—</u>	<u>316,939,000</u>
Net position at end of year	<u>\$ 265,849,000</u>	<u>111,710,000</u>	<u>—</u>	<u>377,559,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 75,661,000
Federal grants and contracts	—
State grants and contracts	7,000
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(40,228,000)
Payments to employees	(151,880,000)
Payments to students	(29,763,000)
Collections of student loans	—
Sales and services of educational activities	135,000
Sales and services of auxiliary enterprises	20,737,000
Other receipts	6,699,000
	<u>(118,632,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	90,208,000
Federal financial aid grants	32,693,000
State financial aid grants	17,246,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	1,570,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	24,000
Federal loan program receipts	55,795,000
Federal loan program disbursements	(55,553,000)
Monies received on behalf of others	7,611,000
Monies disbursed on behalf of others	(7,713,000)
Other noncapital financing activities	2,299,000
	<u>144,180,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	163,000
State appropriations – SPWB Lease Revenue Bonds program	9,573,000
Capital grants and gifts	529,000
Proceeds from sale of capital assets	56,000
Acquisition of capital assets	(16,706,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,571,000)
Interest paid on capital debt and leases	(7,481,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(17,437,000)</u>

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 311,696,000
Purchases of investments	(320,655,000)
Investment income proceeds	779,000
Net cash used in investing activities	<u>(8,180,000)</u>
Net decrease in cash and cash equivalents	(69,000)
Cash and cash equivalents at beginning of year	<u>74,000</u>
Cash and cash equivalents at end of year	<u>\$ 5,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 5,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 5,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (136,950,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,746,000
Change in assets and liabilities:	
Accounts receivable, net	(286,000)
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	165,000
Accounts payable	1,366,000
Accrued salaries and benefits	195,000
Accrued compensated absences	212,000
Unearned revenue	676,000
Depository accounts	—
Other postemployment benefits obligation	768,000
Other liabilities	476,000
Net cash used in operating activities	<u>\$ (118,632,000)</u>
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ 1,769,000
Amortization of net bond premium	121,000
Capital assets paid by the Office of the Chancellor	81,000
Amortization of loss on debt refundings	36,000
Contributed capital assets	14,000
Gifts in kind	1,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,493,000
Payments from discretely presented component units for other than salaries	4,938,000
Payments to discretely presented component units for services, space, and programs	13,232,000
Gifts in kind from discretely presented component units	1,000
Gifts (cash or assets) from discretely presented component units	765,000
Accounts receivable from discretely presented component units	314,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(201,000)
Other amounts payable to discretely presented component units	(640,000)
Payments to the Office of the Chancellor for administrative activities	596,000
Payments to the Office of the Chancellor for state pro rata charges	616,000
Accounts receivable from the Office of the Chancellor	172,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,324,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 2,000	1,428,000	1,430,000
Short-term investments	72,610,000	5,687,000	78,297,000
Accounts receivable, net	6,146,000	1,543,000	7,689,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	—	—
Prepaid expenses and other assets	560,000	66,000	626,000
Total current assets	<u>79,318,000</u>	<u>8,724,000</u>	<u>88,042,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	344,000	344,000
Accounts receivable, net	—	224,000	224,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	921,000	—	921,000
Pledges receivable, net	—	—	—
Endowment investments	—	13,157,000	13,157,000
Other long-term investments	338,000	7,268,000	7,606,000
Capital assets, net	158,340,000	803,000	159,143,000
Other assets	3,000	—	3,000
Total noncurrent assets	<u>159,602,000</u>	<u>21,796,000</u>	<u>181,398,000</u>
Total assets	<u>238,920,000</u>	<u>30,520,000</u>	<u>269,440,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>556,000</u>	<u>—</u>	<u>556,000</u>
Liabilities			
Current liabilities:			
Accounts payable	3,359,000	1,899,000	5,258,000
Accrued salaries and benefits	7,614,000	6,000	7,620,000
Accrued compensated absences, current portion	2,610,000	186,000	2,796,000
Unearned revenue	6,068,000	100,000	6,168,000
Capitalized lease obligations, current portion	1,463,000	—	1,463,000
Long-term debt obligations, current portion	1,225,000	10,000	1,235,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	55,000	—	55,000
Other liabilities	1,459,000	40,000	1,499,000
Total current liabilities	<u>23,853,000</u>	<u>2,241,000</u>	<u>26,094,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,216,000	12,000	3,228,000
Unearned revenue	—	—	—
Grants refundable	1,284,000	—	1,284,000
Capitalized lease obligations, net of current portion	423,000	—	423,000
Long-term debt obligations, net of current portion	26,146,000	201,000	26,347,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	498,000	498,000
Other postemployment benefits obligation	3,868,000	3,757,000	7,625,000
Other liabilities	—	311,000	311,000
Total noncurrent liabilities	<u>34,937,000</u>	<u>4,779,000</u>	<u>39,716,000</u>
Total liabilities	<u>58,790,000</u>	<u>7,020,000</u>	<u>65,810,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	129,640,000	593,000	130,233,000
Restricted for:			
Nonexpendable – endowments	—	5,773,000	5,773,000
Expendable:			
Scholarships and fellowships	1,000	1,646,000	1,647,000
Research	—	—	—
Loans	47,000	—	47,000
Capital projects	—	—	—
Debt service	10,000	—	10,000
Other	406,000	1,237,000	1,643,000
Unrestricted	50,582,000	14,251,000	64,833,000
Total net position	<u>\$ 180,686,000</u>	<u>23,500,000</u>	<u>204,186,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

	<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 \$38,380,000)	\$ 52,420,000	3,933,000	—	56,353,000
Grants and contracts, noncapital:				
Federal	—	12,714,000	—	12,714,000
State	—	1,306,000	—	1,306,000
Local	—	—	—	—
Nongovernmental	—	207,000	—	207,000
Sales and services of educational activities	370,000	205,000	—	575,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	7,285,000	4,444,000	—	11,729,000
Other operating revenues	3,175,000	382,000	—	3,557,000
Total operating revenues	<u>63,250,000</u>	<u>23,191,000</u>	<u>—</u>	<u>86,441,000</u>
Expenses:				
Operating expenses:				
Instruction	56,969,000	4,505,000	—	61,474,000
Research	—	4,626,000	—	4,626,000
Public service	74,000	—	—	74,000
Academic support	18,618,000	2,577,000	—	21,195,000
Student services	18,086,000	2,170,000	(338,000)	19,918,000
Institutional support	20,587,000	1,329,000	—	21,916,000
Operation and maintenance of plant	16,637,000	5,063,000	—	21,700,000
Student grants and scholarships	41,248,000	3,960,000	—	45,208,000
Auxiliary enterprise expenses	5,412,000	—	—	5,412,000
Depreciation and amortization	8,779,000	122,000	—	8,901,000
Total operating expenses	<u>186,410,000</u>	<u>24,352,000</u>	<u>(338,000)</u>	<u>210,424,000</u>
Operating loss	<u>(123,160,000)</u>	<u>(1,161,000)</u>	<u>338,000</u>	<u>(123,983,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	64,214,000	—	—	64,214,000
Federal financial aid grants, noncapital	34,349,000	—	—	34,349,000
State financial aid grants, noncapital	16,475,000	—	—	16,475,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	937,000	—	—	937,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	127,000	1,018,000	(127,000)	1,018,000
Investment income, net	614,000	2,334,000	—	2,948,000
Endowment income, net	—	18,000	—	18,000
Interest expense	(1,275,000)	(10,000)	—	(1,285,000)
Other nonoperating revenues	2,548,000	—	—	2,548,000
Net nonoperating revenues	<u>117,989,000</u>	<u>3,360,000</u>	<u>(127,000)</u>	<u>121,222,000</u>
Income (loss) before other revenues and expenses	<u>(5,171,000)</u>	<u>2,199,000</u>	<u>211,000</u>	<u>(2,761,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	211,000	—	(211,000)	—
Reductions to permanent endowments	—	(509,000)	—	(509,000)
Increase (decrease) in net position	<u>(4,960,000)</u>	<u>1,690,000</u>	<u>—</u>	<u>(3,270,000)</u>
Net position:				
Net position at beginning of year, as previously reported	185,646,000	22,235,000	—	207,881,000
Restatements	—	(425,000)	—	(425,000)
Net position at beginning of year, as restated	<u>185,646,000</u>	<u>21,810,000</u>	<u>—</u>	<u>207,456,000</u>
Net position at end of year	<u>\$ 180,686,000</u>	<u>23,500,000</u>	<u>—</u>	<u>204,186,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 52,854,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(27,455,000)
Payments to employees	(105,826,000)
Payments to students	(41,114,000)
Collections of student loans	160,000
Sales and services of educational activities	370,000
Sales and services of auxiliary enterprises	7,248,000
Other receipts	3,143,000
	<u>(110,620,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	64,214,000
Federal financial aid grants	34,349,000
State financial aid grants	16,567,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	937,000
Other federal nonoperating grants	27,000
Gifts and grants received for other than capital purposes	127,000
Federal loan program receipts	55,325,000
Federal loan program disbursements	(55,222,000)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Other noncapital financing activities	2,612,000
	<u>118,936,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	9,382,000
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(5,041,000)
Issuance of notes receivable	—
Transfers to escrow agent	(9,337,000)
Principal paid on capital debt and leases	(2,578,000)
Interest paid on capital debt and leases	(1,277,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(8,851,000)</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 222,434,000
Purchases of investments	(222,386,000)
Investment income proceeds	417,000
	<u>465,000</u>
Net cash provided by investing activities	465,000
Net decrease in cash and cash equivalents	(70,000)
Cash and cash equivalents at beginning of year	<u>72,000</u>
Cash and cash equivalents at end of year	<u>\$ 2,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 2,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (123,160,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	8,779,000
Change in assets and liabilities:	
Accounts receivable, net	119,000
Notes receivable	—
Student loans receivable, net	6,000
Pledges receivable, net	—
Prepaid expenses and other assets	(34,000)
Accounts payable	1,210,000
Accrued salaries and benefits	872,000
Accrued compensated absences	250,000
Unearned revenue	169,000
Depository accounts	—
Other postemployment benefits obligation	881,000
Other liabilities	288,000
Net cash used in operating activities	<u>\$ (110,620,000)</u>
Supplemental schedule of noncash transactions:	
Amortization of loss on debt refundings	\$ 381,000
Contributed capital assets	213,000
Amortization of net bond premium	143,000
Change in accrued capital asset purchases	(216,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 651,000
Payments from discretely presented component units for other than salaries	1,836,000
Payments to discretely presented component units for services, space, and programs	956,000
Gifts in kind from discretely presented component units	51,000
Gifts (cash or assets) from discretely presented component units	338,000
Accounts receivable from discretely presented component units	1,290,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	117,000
Payments to the Office of the Chancellor for state pro rata charges	518,000
Accounts receivable from the Office of the Chancellor	530,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	985,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 19,000	970,000	989,000
Short-term investments	102,323,000	32,290,000	134,613,000
Accounts receivable, net	5,626,000	6,141,000	11,767,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	749,000	749,000
Prepaid expenses and other assets	950,000	11,000	961,000
Total current assets	<u>108,918,000</u>	<u>40,161,000</u>	<u>149,079,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	31,466,000	—	31,466,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,017,000	—	3,017,000
Pledges receivable, net	—	593,000	593,000
Endowment investments	—	10,813,000	10,813,000
Other long-term investments	1,128,000	—	1,128,000
Capital assets, net	225,892,000	4,773,000	230,665,000
Other assets	—	273,000	273,000
Total noncurrent assets	<u>261,503,000</u>	<u>16,452,000</u>	<u>277,955,000</u>
Total assets	<u>370,421,000</u>	<u>56,613,000</u>	<u>427,034,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>774,000</u>	<u>—</u>	<u>774,000</u>
Liabilities			
Current liabilities:			
Accounts payable	8,396,000	4,182,000	12,578,000
Accrued salaries and benefits	9,063,000	596,000	9,659,000
Accrued compensated absences, current portion	4,496,000	41,000	4,537,000
Unearned revenue	5,900,000	2,320,000	8,220,000
Capitalized lease obligations, current portion	19,000	—	19,000
Long-term debt obligations, current portion	3,445,000	200,000	3,645,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	205,000	6,264,000	6,469,000
Other liabilities	1,157,000	21,000	1,178,000
Total current liabilities	<u>32,681,000</u>	<u>13,624,000</u>	<u>46,305,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,642,000	—	2,642,000
Unearned revenue	—	586,000	586,000
Grants refundable	4,141,000	—	4,141,000
Capitalized lease obligations, net of current portion	65,000	—	65,000
Long-term debt obligations, net of current portion	111,003,000	2,860,000	113,863,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	2,638,000	1,675,000	4,313,000
Other liabilities	1,120,000	—	1,120,000
Total noncurrent liabilities	<u>121,609,000</u>	<u>5,121,000</u>	<u>126,730,000</u>
Total liabilities	<u>154,290,000</u>	<u>18,745,000</u>	<u>173,035,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	112,133,000	1,713,000	113,846,000
Restricted for:			
Nonexpendable – endowments	—	10,813,000	10,813,000
Expendable:			
Scholarships and fellowships	751,000	2,512,000	3,263,000
Research	—	—	—
Loans	443,000	—	443,000
Capital projects	29,603,000	—	29,603,000
Debt service	—	—	—
Other	1,278,000	3,295,000	4,573,000
Unrestricted	72,697,000	19,535,000	92,232,000
Total net position	<u>\$ 216,905,000</u>	<u>37,868,000</u>	<u>254,773,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$41,406,000)	\$ 89,493,000	3,733,000	—	93,226,000
Grants and contracts, noncapital:				
Federal	—	13,914,000	—	13,914,000
State	—	1,261,000	—	1,261,000
Local	187,000	—	—	187,000
Nongovernmental	—	3,480,000	—	3,480,000
Sales and services of educational activities	176,000	—	—	176,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,317,000)	8,205,000	1,004,000	—	9,209,000
Other operating revenues	8,206,000	79,000	—	8,285,000
Total operating revenues	<u>106,267,000</u>	<u>23,471,000</u>	<u>—</u>	<u>129,738,000</u>
Expenses:				
Operating expenses:				
Instruction	75,213,000	—	(22,000)	75,191,000
Research	685,000	18,655,000	—	19,340,000
Public service	25,000	—	—	25,000
Academic support	26,260,000	—	—	26,260,000
Student services	25,013,000	—	—	25,013,000
Institutional support	26,949,000	—	—	26,949,000
Operation and maintenance of plant	26,136,000	—	—	26,136,000
Student grants and scholarships	19,771,000	102,000	—	19,873,000
Auxiliary enterprise expenses	8,671,000	5,062,000	(1,494,000)	12,239,000
Depreciation and amortization	12,724,000	178,000	—	12,902,000
Total operating expenses	<u>221,447,000</u>	<u>23,997,000</u>	<u>(1,516,000)</u>	<u>243,928,000</u>
Operating loss	<u>(115,180,000)</u>	<u>(526,000)</u>	<u>1,516,000</u>	<u>(114,190,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	70,786,000	—	—	70,786,000
Federal financial aid grants, noncapital	27,921,000	—	—	27,921,000
State financial aid grants, noncapital	15,763,000	—	—	15,763,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	402,000	—	—	402,000
Gifts, noncapital	1,525,000	643,000	(1,516,000)	652,000
Investment income, net	1,136,000	4,193,000	—	5,329,000
Endowment income, net	—	131,000	—	131,000
Interest expense	(5,564,000)	(452,000)	—	(6,016,000)
Other nonoperating revenues (expenses)	3,160,000	(328,000)	—	2,832,000
Net nonoperating revenues	<u>115,129,000</u>	<u>4,187,000</u>	<u>(1,516,000)</u>	<u>117,800,000</u>
Income (loss) before other revenues and expenses	(51,000)	3,661,000	—	3,610,000
State appropriations, capital	35,107,000	—	—	35,107,000
Grants and gifts, capital	—	—	—	—
Additions to permanent endowments	—	608,000	—	608,000
Increase in net position	<u>35,056,000</u>	<u>4,269,000</u>	<u>—</u>	<u>39,325,000</u>
Net position:				
Net position at beginning of year, as previously reported	181,849,000	33,599,000	—	215,448,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>181,849,000</u>	<u>33,599,000</u>	<u>—</u>	<u>215,448,000</u>
Net position at end of year	<u>\$ 216,905,000</u>	<u>37,868,000</u>	<u>—</u>	<u>254,773,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 87,937,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	170,000
Nongovernmental grants and contracts	—
Payments to suppliers	(45,250,000)
Payments to employees	(138,830,000)
Payments to students	(19,880,000)
Collections of student loans	118,000
Sales and services of educational activities	222,000
Sales and services of auxiliary enterprises	8,608,000
Other receipts	7,879,000
	<u>(99,026,000)</u>
Net cash used in operating activities	
Cash flows from noncapital financing activities:	
State appropriations	70,786,000
Federal financial aid grants	27,939,000
State financial aid grants	15,714,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	402,000
Gifts and grants received for other than capital purposes	1,525,000
Federal loan program receipts	61,674,000
Federal loan program disbursements	(61,382,000)
Monies received on behalf of others	1,992,000
Monies disbursed on behalf of others	(1,501,000)
Other noncapital financing activities	3,832,000
	<u>120,981,000</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from capital debt	17,115,000
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	11,962,000
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(9,049,000)
Issuance of notes receivable	—
Transfers to escrow agent	(17,033,000)
Principal paid on capital debt and leases	(4,927,000)
Interest paid on capital debt and leases	(5,631,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(7,563,000)</u>
Net cash used in capital and related financing activities	

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 284,312,000
Purchases of investments	(299,672,000)
Investment income proceeds	969,000
	<u>(14,391,000)</u>
Net cash used in investing activities	1,000
Net increase in cash and cash equivalents	18,000
Cash and cash equivalents at beginning of year	<u>18,000</u>
Cash and cash equivalents at end of year	<u>\$ 19,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 19,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 19,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (115,180,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	12,724,000
Change in assets and liabilities:	
Accounts receivable, net	461,000
Notes receivable	—
Student loans receivable, net	3,000
Pledges receivable, net	—
Prepaid expenses and other assets	725,000
Accounts payable	1,892,000
Accrued salaries and benefits	1,112,000
Accrued compensated absences	600,000
Unearned revenue	(1,972,000)
Depository accounts	—
Other postemployment benefits obligation	626,000
Other liabilities	(17,000)
Net cash used in operating activities	<u>\$ (99,026,000)</u>
Supplemental schedule of noncash transactions:	
Capital assets paid by the Office of the Chancellor	\$ 891,000
Amortization of net bond premium	269,000
Investment income automatically reinvested	209,000
Change in accrued capital asset purchases	225,000
Amortization of loss on debt refundings	66,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,080,000
Payments from discretely presented component units for other than salaries	2,343,000
Payments to discretely presented component units for services, space, and programs	2,122,000
Gifts in kind from discretely presented component units	13,000
Gifts (cash or assets) from discretely presented component units	2,592,000
Accounts receivable from discretely presented component units	2,238,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(314,000)
Other amounts payable to discretely presented component units	(11,000)
Payments to the Office of the Chancellor for administrative activities	999,000
Payments to the Office of the Chancellor for state pro rata charges	349,000
Accounts receivable from the Office of the Chancellor	82,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,199,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 13,000	23,291,000	23,304,000
Short-term investments	103,057,000	65,238,000	168,295,000
Accounts receivable, net	8,759,000	24,998,000	33,757,000
Leases receivable, current portion	4,485,000	—	4,485,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	6,092,000	6,092,000
Prepaid expenses and other assets	1,061,000	3,179,000	4,240,000
Total current assets	<u>117,375,000</u>	<u>122,798,000</u>	<u>240,173,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	150,000	150,000
Accounts receivable, net	38,000	38,000	76,000
Leases receivable, net of current portion	56,355,000	—	56,355,000
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,243,000	290,000	3,533,000
Pledges receivable, net	—	21,366,000	21,366,000
Endowment investments	838,000	152,691,000	153,529,000
Other long-term investments	567,000	5,730,000	6,297,000
Capital assets, net	205,864,000	99,115,000	304,979,000
Other assets	2,000	3,801,000	3,803,000
Total noncurrent assets	<u>266,907,000</u>	<u>283,181,000</u>	<u>550,088,000</u>
Total assets	<u>384,282,000</u>	<u>405,979,000</u>	<u>790,261,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>303,000</u>	<u>499,000</u>	<u>802,000</u>
Liabilities			
Current liabilities:			
Accounts payable	2,608,000	5,054,000	7,662,000
Accrued salaries and benefits	15,524,000	2,619,000	18,143,000
Accrued compensated absences, current portion	4,935,000	327,000	5,262,000
Unearned revenue	1,975,000	16,646,000	18,621,000
Capitalized lease obligations, current portion	370,000	9,080,000	9,450,000
Long-term debt obligations, current portion	5,487,000	452,000	5,939,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	233,000	233,000
Other liabilities	1,696,000	730,000	2,426,000
Total current liabilities	<u>32,595,000</u>	<u>35,141,000</u>	<u>67,736,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,396,000	1,019,000	6,415,000
Unearned revenue	—	—	—
Grants refundable	3,887,000	—	3,887,000
Capitalized lease obligations, net of current portion	284,000	56,355,000	56,639,000
Long-term debt obligations, net of current portion	78,368,000	7,405,000	85,773,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	3,000	2,599,000	2,602,000
Other postemployment benefits obligation	1,880,000	289,000	2,169,000
Other liabilities	180,000	427,000	607,000
Total noncurrent liabilities	<u>89,998,000</u>	<u>68,094,000</u>	<u>158,092,000</u>
Total liabilities	<u>122,593,000</u>	<u>103,235,000</u>	<u>225,828,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>485,000</u>	<u>485,000</u>
Net Position			
Net position:			
Net investment in capital assets	182,195,000	27,824,000	210,019,000
Restricted for:			
Nonexpendable – endowments	838,000	90,967,000	91,805,000
Expendable:			
Scholarships and fellowships	—	63,056,000	63,056,000
Research	—	—	—
Loans	420,000	1,250,000	1,670,000
Capital projects	38,000	—	38,000
Debt service	67,000	9,981,000	10,048,000
Other	—	46,302,000	46,302,000
Unrestricted	<u>78,434,000</u>	<u>63,378,000</u>	<u>141,812,000</u>
Total net position	<u>\$ 261,992,000</u>	<u>302,758,000</u>	<u>564,750,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$82,075,000)	\$ 73,948,000	8,149,000	(4,214,000)	77,883,000
Grants and contracts, noncapital:				
Federal	51,000	22,438,000	—	22,489,000
State	13,000	5,273,000	—	5,286,000
Local	—	—	—	—
Nongovernmental	—	4,965,000	—	4,965,000
Sales and services of educational activities	78,000	—	—	78,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	4,005,000	56,343,000	(3,564,000)	56,784,000
Other operating revenues	9,035,000	7,205,000	(951,000)	15,289,000
Total operating revenues	<u>87,130,000</u>	<u>104,373,000</u>	<u>(8,729,000)</u>	<u>182,774,000</u>
Expenses:				
Operating expenses:				
Instruction	104,928,000	14,962,000	—	119,890,000
Research	1,545,000	5,991,000	—	7,536,000
Public service	5,575,000	13,909,000	—	19,484,000
Academic support	30,236,000	93,000	—	30,329,000
Student services	33,836,000	7,528,000	(16,754,000)	24,610,000
Institutional support	27,764,000	—	—	27,764,000
Operation and maintenance of plant	25,750,000	1,682,000	—	27,432,000
Student grants and scholarships	51,394,000	8,558,000	(3,447,000)	56,505,000
Auxiliary enterprise expenses	4,644,000	72,320,000	(8,967,000)	67,997,000
Depreciation and amortization	16,687,000	5,150,000	—	21,837,000
Total operating expenses	<u>302,359,000</u>	<u>130,193,000</u>	<u>(29,168,000)</u>	<u>403,384,000</u>
Operating loss	<u>(215,229,000)</u>	<u>(25,820,000)</u>	<u>20,439,000</u>	<u>(220,610,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	114,278,000	—	—	114,278,000
Federal financial aid grants, noncapital	56,100,000	—	—	56,100,000
State financial aid grants, noncapital	34,726,000	—	—	34,726,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	3,943,000	10,651,000	(5,773,000)	8,821,000
Investment income, net	4,460,000	5,402,000	—	9,862,000
Endowment income, net	4,000	17,910,000	—	17,914,000
Interest expense	(4,122,000)	(242,000)	—	(4,364,000)
Other nonoperating revenues	3,030,000	2,312,000	(7,129,000)	(1,787,000)
Net nonoperating revenues	<u>212,419,000</u>	<u>36,033,000</u>	<u>(12,902,000)</u>	<u>235,550,000</u>
Income (loss) before other revenues and expenses	<u>(2,810,000)</u>	<u>10,213,000</u>	<u>7,537,000</u>	<u>14,940,000</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	7,635,000	3,176,000	(7,537,000)	3,274,000
Additions to permanent endowments	—	7,643,000	—	7,643,000
Increase in net position	<u>4,825,000</u>	<u>21,032,000</u>	<u>—</u>	<u>25,857,000</u>
Net position:				
Net position at beginning of year, as previously reported	257,167,000	281,726,000	—	538,893,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>257,167,000</u>	<u>281,726,000</u>	<u>—</u>	<u>538,893,000</u>
Net position at end of year	<u>\$ 261,992,000</u>	<u>302,758,000</u>	<u>—</u>	<u>564,750,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 72,568,000
Federal grants and contracts	51,000
State grants and contracts	13,000
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(48,197,000)
Payments to employees	(181,939,000)
Payments to students	(51,997,000)
Collections of student loans	—
Sales and services of educational activities	102,000
Sales and services of auxiliary enterprises	4,392,000
Other receipts	10,234,000
	<u>(194,773,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	114,278,000
Federal financial aid grants	56,586,000
State financial aid grants	34,491,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	156,000
Gifts and grants received for other than capital purposes	3,943,000
Federal loan program receipts	62,507,000
Federal loan program disbursements	(62,623,000)
Monies received on behalf of others	530,000
Monies disbursed on behalf of others	(246,000)
Other noncapital financing activities	3,131,000
	<u>212,753,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	7,072,000
State appropriations	57,000
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	32,000
Acquisition of capital assets	(7,828,000)
Issuance of notes receivable	—
Transfers to escrow agent	(7,039,000)
Principal paid on capital debt and leases	(7,097,000)
Interest paid on capital debt and leases	(4,141,000)
Principal collection on capital leases	4,595,000
Interest collection on capital leases	3,182,000
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(11,167,000)</u>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 366,482,000
Purchases of investments	(375,456,000)
Investment income proceeds	1,198,000
	<u>(7,776,000)</u>
Net cash used in investing activities	(963,000)
Cash and cash equivalents at beginning of year	976,000
Cash and cash equivalents at end of year	<u>\$ 13,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 13,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 13,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (215,229,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,687,000
Change in assets and liabilities:	
Accounts receivable, net	244,000
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	(7,000)
Accounts payable	1,319,000
Accrued salaries and benefits	2,332,000
Accrued compensated absences	312,000
Unearned revenue	186,000
Depository accounts	—
Other postemployment benefits obligation	317,000
Other liabilities	(934,000)
Net cash used in operating activities	<u>\$ (194,773,000)</u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 7,635,000
Acquisition of capital assets through capitalized lease	694,000
Amortization of net bond premium	78,000
Capital assets paid by the Office of the Chancellor	49,000
Change in accrued capital asset purchases	(249,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,975,000
Payments from discretely presented component units for other than salaries	1,292,000
Payments to discretely presented component units for services, space, and programs	425,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	3,841,000
Accounts receivable from discretely presented component units	5,182,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(27,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	192,000
Payments to the Office of the Chancellor for state pro rata charges	255,000
Accounts receivable from the Office of the Chancellor	514,000
Accounts payable to the Office of the Chancellor	(100,000)
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,627,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 1,021,000	24,353,000	25,374,000
Short-term investments	161,524,000	29,925,000	191,449,000
Accounts receivable, net	15,736,000	5,823,000	21,559,000
Leases receivable, current portion	120,000	1,685,000	1,805,000
Notes receivable, current portion	—	1,026,000	1,026,000
Pledges receivable, net	—	2,503,000	2,503,000
Prepaid expenses and other assets	2,631,000	2,989,000	5,620,000
Total current assets	<u>181,032,000</u>	<u>68,304,000</u>	<u>249,336,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	2,812,000	2,812,000
Accounts receivable, net	—	—	—
Leases receivable, net of current portion	5,650,000	23,600,000	29,250,000
Notes receivable, net of current portion	—	2,071,000	2,071,000
Student loans receivable, net	4,469,000	—	4,469,000
Pledges receivable, net	—	6,981,000	6,981,000
Endowment investments	—	47,544,000	47,544,000
Other long-term investments	35,691,000	3,045,000	38,736,000
Capital assets, net	546,213,000	56,187,000	602,400,000
Other assets	5,000,000	864,000	5,864,000
Total noncurrent assets	<u>597,023,000</u>	<u>143,104,000</u>	<u>740,127,000</u>
Total assets	<u>778,055,000</u>	<u>211,408,000</u>	<u>989,463,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>2,149,000</u>	—	<u>2,149,000</u>
Liabilities			
Current liabilities:			
Accounts payable	14,101,000	5,841,000	19,942,000
Accrued salaries and benefits	26,017,000	107,000	26,124,000
Accrued compensated absences, current portion	6,939,000	439,000	7,378,000
Unearned revenue	13,282,000	132,000	13,414,000
Capitalized lease obligations, current portion	1,657,000	—	1,657,000
Long-term debt obligations, current portion	8,485,000	2,129,000	10,614,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	351,000	—	351,000
Other liabilities	16,133,000	7,538,000	23,671,000
Total current liabilities	<u>86,965,000</u>	<u>16,186,000</u>	<u>103,151,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,939,000	620,000	7,559,000
Unearned revenue	—	—	—
Grants refundable	5,934,000	—	5,934,000
Capitalized lease obligations, net of current portion	24,515,000	—	24,515,000
Long-term debt obligations, net of current portion	276,781,000	76,541,000	353,322,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	6,744,000	9,551,000	16,295,000
Other liabilities	—	856,000	856,000
Total noncurrent liabilities	<u>320,913,000</u>	<u>87,568,000</u>	<u>408,481,000</u>
Total liabilities	<u>407,878,000</u>	<u>103,754,000</u>	<u>511,632,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	243,570,000	(4,098,000)	239,472,000
Restricted for:			
Nonexpendable – endowments	—	48,414,000	48,414,000
Expendable:			
Scholarships and fellowships	—	3,016,000	3,016,000
Research	—	—	—
Loans	240,000	—	240,000
Capital projects	3,771,000	—	3,771,000
Debt service	245,000	—	245,000
Other	121,000	21,584,000	21,705,000
Unrestricted	124,379,000	38,738,000	163,117,000
Total net position	<u>\$ 372,326,000</u>	<u>107,654,000</u>	<u>479,980,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$80,409,000)	\$ 178,237,000	11,608,000	—	189,845,000
Grants and contracts, noncapital:				
Federal	—	18,199,000	—	18,199,000
State	—	2,994,000	—	2,994,000
Local	—	145,000	—	145,000
Nongovernmental	—	992,000	—	992,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	38,061,000	39,593,000	—	77,654,000
Other operating revenues	15,641,000	12,574,000	—	28,215,000
Total operating revenues	<u>231,939,000</u>	<u>86,105,000</u>	<u>—</u>	<u>318,044,000</u>
Expenses:				
Operating expenses:				
Instruction	183,218,000	5,188,000	—	188,406,000
Research	842,000	5,851,000	—	6,693,000
Public service	7,182,000	4,767,000	—	11,949,000
Academic support	30,101,000	839,000	—	30,940,000
Student services	36,195,000	17,071,000	—	53,266,000
Institutional support	53,349,000	3,037,000	—	56,386,000
Operation and maintenance of plant	37,674,000	7,387,000	—	45,061,000
Student grants and scholarships	79,926,000	2,080,000	—	82,006,000
Auxiliary enterprise expenses	20,376,000	39,441,000	3,406,000	63,223,000
Depreciation and amortization	33,061,000	1,945,000	—	35,006,000
Total operating expenses	<u>481,924,000</u>	<u>87,606,000</u>	<u>3,406,000</u>	<u>572,936,000</u>
Operating loss	<u>(249,985,000)</u>	<u>(1,501,000)</u>	<u>(3,406,000)</u>	<u>(254,892,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	136,171,000	—	—	136,171,000
Federal financial aid grants, noncapital	66,303,000	—	—	66,303,000
State financial aid grants, noncapital	43,060,000	—	—	43,060,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	481,000	—	—	481,000
Other federal nonoperating grants, noncapital	1,507,000	—	—	1,507,000
Gifts, noncapital	86,000	6,044,000	86,000	6,216,000
Investment income, net	1,514,000	6,251,000	—	7,765,000
Endowment income, net	—	—	—	—
Interest expense	(14,804,000)	(1,551,000)	—	(16,355,000)
Other nonoperating revenues	6,870,000	121,000	—	6,991,000
Net nonoperating revenues	<u>241,188,000</u>	<u>10,865,000</u>	<u>86,000</u>	<u>252,139,000</u>
Income (loss) before other revenues and expenses	<u>(8,797,000)</u>	<u>9,364,000</u>	<u>(3,320,000)</u>	<u>(2,753,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,482,000	—	3,320,000	6,802,000
Additions to permanent endowments	—	3,508,000	—	3,508,000
Increase (decrease) in net position	<u>(5,315,000)</u>	<u>12,872,000</u>	<u>—</u>	<u>7,557,000</u>
Net position:				
Net position at beginning of year, as previously reported	377,641,000	95,371,000	—	473,012,000
Restatements	—	(589,000)	—	(589,000)
Net position at beginning of year, as restated	<u>377,641,000</u>	<u>94,782,000</u>	<u>—</u>	<u>472,423,000</u>
Net position at end of year	<u>\$ 372,326,000</u>	<u>107,654,000</u>	<u>—</u>	<u>479,980,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 178,945,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(81,120,000)
Payments to employees	(278,144,000)
Payments to students	(79,926,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	37,309,000
Other receipts	15,029,000
	<u>(207,907,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	136,171,000
Federal financial aid grants	66,303,000
State financial aid grants	43,060,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	481,000
Other federal nonoperating grants	1,507,000
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	6,105,000
Federal loan program disbursements	(6,283,000)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Other noncapital financing activities	6,983,000
	<u>254,327,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	35,823,000
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	3,320,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(28,705,000)
Issuance of notes receivable	—
Transfers to escrow agent	(9,239,000)
Principal paid on capital debt and leases	(11,008,000)
Interest paid on capital debt and leases	(15,099,000)
Principal collection on capital leases	115,000
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(24,793,000)</u>

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 645,752,000
Purchases of investments	(668,135,000)
Investment income proceeds	103,000
	<u>(22,280,000)</u>
Net cash used in investing activities	(653,000)
Cash and cash equivalents at beginning of year	1,674,000
Cash and cash equivalents at end of year	<u>\$ 1,021,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,021,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 1,021,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (249,985,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,061,000
Change in assets and liabilities:	
Accounts receivable, net	(4,079,000)
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	1,091,000
Accounts payable	(171,000)
Accrued salaries and benefits	1,465,000
Accrued compensated absences	694,000
Unearned revenue	(3,296,000)
Depository accounts	—
Other postemployment benefits obligation	1,323,000
Other liabilities	11,990,000
Net cash used in operating activities	<u>\$ (207,907,000)</u>
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ 5,719,000
Amortization of net bond premium	700,000
Investment income automatically reinvested	209,000
Amortization of loss on debt refundings	168,000
Contributed capital assets	162,000
Gifts in kind	86,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,018,000
Payments from discretely presented component units for other than salaries	5,771,000
Payments to discretely presented component units for services, space, and programs	15,765,000
Gifts in kind from discretely presented component units	418,000
Gifts (cash or assets) from discretely presented component units	3,406,000
Accounts receivable from discretely presented component units	4,201,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(2,530,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	419,000
Payments to the Office of the Chancellor for state pro rata charges	957,000
Accounts receivable from the Office of the Chancellor	665,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,928,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 12,000	2,727,000	2,739,000
Short-term investments	40,790,000	13,613,000	54,403,000
Accounts receivable, net	1,068,000	5,606,000	6,674,000
Leases receivable, current portion	—	23,000	23,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	86,000	86,000
Prepaid expenses and other assets	912,000	373,000	1,285,000
Total current assets	<u>42,782,000</u>	<u>22,428,000</u>	<u>65,210,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	522,000	—	522,000
Leases receivable, net of current portion	—	566,000	566,000
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,398,000	—	3,398,000
Pledges receivable, net	—	87,000	87,000
Endowment investments	1,560,000	26,640,000	28,200,000
Other long-term investments	1,157,000	6,639,000	7,796,000
Capital assets, net	200,510,000	2,477,000	202,987,000
Other assets	35,000	38,000	73,000
Total noncurrent assets	<u>207,182,000</u>	<u>36,447,000</u>	<u>243,629,000</u>
Total assets	<u>249,964,000</u>	<u>58,875,000</u>	<u>308,839,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	439,000	—	439,000
Liabilities			
Current liabilities:			
Accounts payable	1,616,000	1,356,000	2,972,000
Accrued salaries and benefits	6,796,000	480,000	7,276,000
Accrued compensated absences, current portion	3,515,000	219,000	3,734,000
Unearned revenue	2,145,000	1,142,000	3,287,000
Capitalized lease obligations, current portion	2,237,000	—	2,237,000
Long-term debt obligations, current portion	2,101,000	23,000	2,124,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	122,000	—	122,000
Other liabilities	871,000	612,000	1,483,000
Total current liabilities	<u>19,403,000</u>	<u>3,832,000</u>	<u>23,235,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,788,000	46,000	1,834,000
Unearned revenue	—	323,000	323,000
Grants refundable	4,461,000	—	4,461,000
Capitalized lease obligations, net of current portion	3,295,000	—	3,295,000
Long-term debt obligations, net of current portion	54,533,000	2,566,000	57,099,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	3,058,000	1,198,000	4,256,000
Other liabilities	—	526,000	526,000
Total noncurrent liabilities	<u>67,135,000</u>	<u>4,659,000</u>	<u>71,794,000</u>
Total liabilities	<u>86,538,000</u>	<u>8,491,000</u>	<u>95,029,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	138,784,000	2,477,000	141,261,000
Restricted for:			
Nonexpendable – endowments	1,560,000	16,861,000	18,421,000
Expendable:			
Scholarships and fellowships	1,836,000	—	1,836,000
Research	—	—	—
Loans	882,000	—	882,000
Capital projects	203,000	—	203,000
Debt service	38,000	—	38,000
Other	57,000	13,272,000	13,329,000
Unrestricted	20,505,000	17,774,000	38,279,000
Total net position	<u>\$ 163,865,000</u>	<u>50,384,000</u>	<u>214,249,000</u>

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$28,456,000)	\$ 36,435,000	1,772,000	—	38,207,000
Grants and contracts, noncapital:				
Federal	186,000	7,558,000	—	7,744,000
State	—	5,086,000	—	5,086,000
Local	—	634,000	—	634,000
Nongovernmental	—	3,011,000	—	3,011,000
Sales and services of educational activities	563,000	—	—	563,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,707,000)	5,567,000	14,138,000	(65,000)	19,640,000
Other operating revenues	6,057,000	2,536,000	—	8,593,000
Total operating revenues	<u>48,808,000</u>	<u>34,735,000</u>	<u>(65,000)</u>	<u>83,478,000</u>
Expenses:				
Operating expenses:				
Instruction	49,276,000	—	—	49,276,000
Research	—	7,470,000	—	7,470,000
Public service	525,000	8,544,000	—	9,069,000
Academic support	17,069,000	470,000	—	17,539,000
Student services	18,660,000	1,174,000	—	19,834,000
Institutional support	18,014,000	701,000	—	18,715,000
Operation and maintenance of plant	17,613,000	—	—	17,613,000
Student grants and scholarships	11,168,000	371,000	—	11,539,000
Auxiliary enterprise expenses	9,206,000	15,970,000	—	25,176,000
Depreciation and amortization	11,284,000	385,000	—	11,669,000
Total operating expenses	<u>152,815,000</u>	<u>35,085,000</u>	<u>—</u>	<u>187,900,000</u>
Operating loss	<u>(104,007,000)</u>	<u>(350,000)</u>	<u>(65,000)</u>	<u>(104,422,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	64,168,000	—	—	64,168,000
Federal financial aid grants, noncapital	20,264,000	—	—	20,264,000
State financial aid grants, noncapital	11,390,000	—	—	11,390,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	44,000	—	—	44,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	2,058,000	4,560,000	(2,580,000)	4,038,000
Investment income, net	380,000	252,000	—	632,000
Endowment income, net	2,000	3,078,000	—	3,080,000
Interest expense	(3,096,000)	(34,000)	—	(3,130,000)
Other nonoperating revenues (expenses)	1,465,000	(2,854,000)	2,658,000	1,269,000
Net nonoperating revenues	<u>96,675,000</u>	<u>5,002,000</u>	<u>78,000</u>	<u>101,755,000</u>
Income (loss) before other revenues and expenses	<u>(7,332,000)</u>	<u>4,652,000</u>	<u>13,000</u>	<u>(2,667,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	28,000	6,000	(13,000)	21,000
Additions to permanent endowments	—	605,000	—	605,000
Increase (decrease) in net position	<u>(7,304,000)</u>	<u>5,263,000</u>	<u>—</u>	<u>(2,041,000)</u>
Net position:				
Net position at beginning of year, as previously reported	171,169,000	45,121,000	—	216,290,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>171,169,000</u>	<u>45,121,000</u>	<u>—</u>	<u>216,290,000</u>
Net position at end of year	<u>\$ 163,865,000</u>	<u>50,384,000</u>	<u>—</u>	<u>214,249,000</u>

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 36,099,000
Federal grants and contracts	226,000
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(27,668,000)
Payments to employees	(101,988,000)
Payments to students	(11,168,000)
Collections of student loans	—
Sales and services of educational activities	563,000
Sales and services of auxiliary enterprises	5,678,000
Other receipts	6,446,000
	<u>(91,812,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	64,168,000
Federal financial aid grants	20,264,000
State financial aid grants	11,390,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	44,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	2,058,000
Federal loan program receipts	37,192,000
Federal loan program disbursements	(37,337,000)
Monies received on behalf of others	8,251,000
Monies disbursed on behalf of others	(8,191,000)
Other noncapital financing activities	1,518,000
	<u>99,357,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(2,133,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(4,146,000)
Interest paid on capital debt and leases	(3,121,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(9,400,000)</u>

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 195,595,000
Purchases of investments	(193,741,000)
Investment income proceeds	3,000
	<u>1,857,000</u>
Net cash provided by investing activities	2,000
Net increase in cash and cash equivalents	10,000
Cash and cash equivalents at beginning of year	<u>12,000</u>
Cash and cash equivalents at end of year	<u>\$ 12,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 12,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 12,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (104,007,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,284,000
Change in assets and liabilities:	
Accounts receivable, net	252,000
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	(155,000)
Prepaid expenses and other assets	(556,000)
Accounts payable	805,000
Accrued salaries and benefits	80,000
Accrued compensated absences	(38,000)
Unearned revenue	—
Depository accounts	532,000
Other postemployment benefits obligation	(9,000)
Other liabilities	<u>(91,812,000)</u>
Net cash used in operating activities	<u>\$ (91,812,000)</u>
Supplemental schedule of noncash transactions:	
Acquisition of capital assets through capitalized lease	\$ 600,000
Amortization of net bond premium	59,000
Amortization of loss on debt refundings	42,000
Contributed capital assets	28,000
Change in accrued capital asset purchases	(729,000)

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,222,000
Payments from discretely presented component units for other than salaries	3,345,000
Payments to discretely presented component units for services, space, and programs	1,721,000
Gifts in kind from discretely presented component units	403,000
Gifts (cash or assets) from discretely presented component units	1,923,000
Accounts receivable from discretely presented component units	62,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(91,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	68,000
Payments to the Office of the Chancellor for state pro rata charges	386,000
Accounts receivable from the Office of the Chancellor	50,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	735,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 19,000	18,971,000	18,990,000
Short-term investments	213,081,000	38,298,000	251,379,000
Accounts receivable, net	7,515,000	9,231,000	16,746,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,218,000	2,218,000
Prepaid expenses and other assets	3,615,000	2,309,000	5,924,000
Total current assets	<u>224,230,000</u>	<u>71,027,000</u>	<u>295,257,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	16,789,000	16,789,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	7,394,000	—	7,394,000
Pledges receivable, net	—	4,732,000	4,732,000
Endowment investments	—	57,046,000	57,046,000
Other long-term investments	15,289,000	7,914,000	23,203,000
Capital assets, net	444,482,000	57,102,000	501,584,000
Other assets	302,000	—	302,000
Total noncurrent assets	<u>467,467,000</u>	<u>143,583,000</u>	<u>611,050,000</u>
Total assets	<u>691,697,000</u>	<u>214,610,000</u>	<u>906,307,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	514,000	241,000	755,000
Liabilities			
Current liabilities:			
Accounts payable	12,436,000	5,212,000	17,648,000
Accrued salaries and benefits	26,150,000	1,656,000	27,806,000
Accrued compensated absences, current portion	9,068,000	2,216,000	11,284,000
Unearned revenue	33,024,000	6,303,000	39,327,000
Capitalized lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	3,405,000	1,035,000	4,440,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	404,000	757,000	1,161,000
Other liabilities	2,676,000	1,984,000	4,660,000
Total current liabilities	<u>87,163,000</u>	<u>19,163,000</u>	<u>106,326,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,283,000	—	6,283,000
Unearned revenue	451,000	—	451,000
Grants refundable	7,602,000	—	7,602,000
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	112,593,000	34,225,000	146,818,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	9,106,000	21,044,000	30,150,000
Other liabilities	—	9,043,000	9,043,000
Total noncurrent liabilities	<u>136,035,000</u>	<u>64,312,000</u>	<u>200,347,000</u>
Total liabilities	<u>223,198,000</u>	<u>83,475,000</u>	<u>306,673,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	328,999,000	21,842,000	350,841,000
Restricted for:			
Nonexpendable – endowments	—	45,009,000	45,009,000
Expendable:			
Scholarships and fellowships	6,000	3,584,000	3,590,000
Research	—	5,186,000	5,186,000
Loans	271,000	—	271,000
Capital projects	51,000	—	51,000
Debt service	—	—	—
Other	1,000	41,060,000	41,061,000
Unrestricted	139,685,000	14,695,000	154,380,000
Total net position	<u>\$ 469,013,000</u>	<u>131,376,000</u>	<u>600,389,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$106,818,000)	\$ 153,248,000	11,082,000	—	164,330,000
Grants and contracts, noncapital:				
Federal	—	19,181,000	—	19,181,000
State	—	4,669,000	—	4,669,000
Local	—	2,307,000	—	2,307,000
Nongovernmental	—	2,983,000	—	2,983,000
Sales and services of educational activities	3,394,000	5,689,000	—	9,083,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$9,129,000)	23,020,000	34,650,000	—	57,670,000
Other operating revenues	8,934,000	7,718,000	—	16,652,000
Total operating revenues	<u>188,596,000</u>	<u>88,279,000</u>	<u>—</u>	<u>276,875,000</u>
Expenses:				
Operating expenses:				
Instruction	182,842,000	12,527,000	—	195,369,000
Research	1,044,000	8,451,000	—	9,495,000
Public service	2,159,000	3,586,000	—	5,745,000
Academic support	47,974,000	3,035,000	—	51,009,000
Student services	44,646,000	16,758,000	(954,000)	60,450,000
Institutional support	32,669,000	11,020,000	(396,000)	43,293,000
Operation and maintenance of plant	35,009,000	899,000	—	35,908,000
Student grants and scholarships	59,023,000	3,885,000	(5,666,000)	57,242,000
Auxiliary enterprise expenses	19,420,000	30,412,000	(103,000)	49,729,000
Depreciation and amortization	28,488,000	2,702,000	—	31,190,000
Total operating expenses	<u>453,274,000</u>	<u>93,275,000</u>	<u>(7,119,000)</u>	<u>539,430,000</u>
Operating loss	<u>(264,678,000)</u>	<u>(4,996,000)</u>	<u>7,119,000</u>	<u>(262,555,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	148,570,000	—	—	148,570,000
Federal financial aid grants, noncapital	71,678,000	—	—	71,678,000
State financial aid grants, noncapital	44,599,000	—	—	44,599,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6,188,000	—	(5,703,000)	485,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,150,000	9,073,000	(1,020,000)	9,203,000
Investment income, net	1,766,000	5,039,000	—	6,805,000
Endowment income, net	—	6,506,000	—	6,506,000
Interest expense	(5,585,000)	(1,765,000)	—	(7,350,000)
Other nonoperating revenues (expenses)	6,748,000	(1,625,000)	—	5,123,000
Net nonoperating revenues	<u>275,114,000</u>	<u>17,228,000</u>	<u>(6,723,000)</u>	<u>285,619,000</u>
Income before other revenues and expenses	10,436,000	12,232,000	396,000	23,064,000
State appropriations, capital				
Grants and gifts, capital	417,000	—	(396,000)	21,000
Additions to permanent endowments	—	1,687,000	—	1,687,000
Increase in net position	<u>10,853,000</u>	<u>13,919,000</u>	<u>—</u>	<u>24,772,000</u>
Net position:				
Net position at beginning of year, as previously reported	458,160,000	121,968,000	—	580,128,000
Restatements	—	(4,511,000)	—	(4,511,000)
Net position at beginning of year, as restated	<u>458,160,000</u>	<u>117,457,000</u>	<u>—</u>	<u>575,617,000</u>
Net position at end of year	<u>\$ 469,013,000</u>	<u>131,376,000</u>	<u>—</u>	<u>600,389,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 152,496,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(66,333,000)
Payments to employees	(294,145,000)
Payments to students	(59,212,000)
Collections of student loans	88,000
Sales and services of educational activities	3,394,000
Sales and services of auxiliary enterprises	23,020,000
Other receipts	8,672,000
	<u>(232,020,000)</u>
Net cash used in operating activities	
Cash flows from noncapital financing activities:	
State appropriations	148,570,000
Federal financial aid grants	71,674,000
State financial aid grants	44,599,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	6,188,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,020,000
Federal loan program receipts	117,544,000
Federal loan program disbursements	(117,862,000)
Monies received on behalf of others	3,251,000
Monies disbursed on behalf of others	(3,288,000)
Other noncapital financing activities	5,633,000
	<u>277,329,000</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from capital debt	10,208,000
State appropriations	1,000
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	65,000
Acquisition of capital assets	(19,657,000)
Issuance of notes receivable	—
Transfers to escrow agent	(10,157,000)
Principal paid on capital debt and leases	(3,580,000)
Interest paid on capital debt and leases	(5,872,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(28,992,000)</u>
Net cash used in capital and related financing activities	

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 622,963,000
Purchases of investments	(642,267,000)
Investment income proceeds	1,277,000
Net cash used in investing activities	<u>(18,027,000)</u>
Net decrease in cash and cash equivalents	(1,710,000)
Cash and cash equivalents at beginning of year	<u>1,729,000</u>
Cash and cash equivalents at end of year	<u>\$ 19,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 19,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 19,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (264,678,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	28,488,000
Change in assets and liabilities:	
Accounts receivable, net	(1,763,000)
Notes receivable	—
Student loans receivable, net	19,000
Pledges receivable, net	—
Prepaid expenses and other assets	(273,000)
Accounts payable	1,767,000
Accrued salaries and benefits	2,162,000
Accrued compensated absences	511,000
Unearned revenue	131,000
Depository accounts	—
Other postemployment benefits obligation	1,745,000
Other liabilities	(129,000)
Net cash used in operating activities	<u>\$ (232,020,000)</u>
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ 3,414,000
Construction work in progress acquired from the Office of the Chancellor	1,347,000
Amortization of net bond premium	589,000
Contributed capital assets	418,000
Gifts in kind	130,000
Amortization of loss on debt refundings	64,000
Capital asset transferred from the Office of the Chancellor	11,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,206,000
Payments from discretely presented component units for other than salaries	10,920,000
Payments to discretely presented component units for services, space, and programs	7,217,000
Gifts in kind from discretely presented component units	103,000
Gifts (cash or assets) from discretely presented component units	6,717,000
Accounts receivable from discretely presented component units	3,754,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,136,000)
Other amounts payable to discretely presented component units	(400,000)
Payments to the Office of the Chancellor for administrative activities	379,000
Payments to the Office of the Chancellor for state pro rata charges	1,173,000
Accounts receivable from the Office of the Chancellor	294,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	2,247,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10,000	6,577,000	6,587,000
Short-term investments	136,838,000	6,366,000	143,204,000
Accounts receivable, net	5,300,000	5,356,000	10,656,000
Leases receivable, current portion	780,000	—	780,000
Notes receivable, current portion	—	54,000	54,000
Pledges receivable, net	—	561,000	561,000
Prepaid expenses and other assets	660,000	97,000	757,000
Total current assets	<u>143,588,000</u>	<u>19,011,000</u>	<u>162,599,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	792,000	792,000
Accounts receivable, net	2,804,000	—	2,804,000
Leases receivable, net of current portion	23,270,000	—	23,270,000
Notes receivable, net of current portion	—	290,000	290,000
Student loans receivable, net	1,659,000	—	1,659,000
Pledges receivable, net	—	69,000	69,000
Endowment investments	—	18,724,000	18,724,000
Other long-term investments	3,876,000	8,867,000	12,743,000
Capital assets, net	254,220,000	24,005,000	278,225,000
Other assets	247,000	—	247,000
Total noncurrent assets	<u>286,076,000</u>	<u>52,747,000</u>	<u>338,823,000</u>
Total assets	<u>429,664,000</u>	<u>71,758,000</u>	<u>501,422,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>1,150,000</u>	<u>—</u>	<u>1,150,000</u>
Liabilities			
Current liabilities:			
Accounts payable	5,827,000	1,480,000	7,307,000
Accrued salaries and benefits	14,257,000	1,844,000	16,101,000
Accrued compensated absences, current portion	4,481,000	356,000	4,837,000
Unearned revenue	9,962,000	2,701,000	12,663,000
Capitalized lease obligations, current portion	—	780,000	780,000
Long-term debt obligations, current portion	2,570,000	134,000	2,704,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	380,000	380,000
Other liabilities	1,634,000	750,000	2,384,000
Total current liabilities	<u>38,731,000</u>	<u>8,425,000</u>	<u>47,156,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,723,000	296,000	5,019,000
Unearned revenue	—	—	—
Grants refundable	2,061,000	—	2,061,000
Capitalized lease obligations, net of current portion	—	24,084,000	24,084,000
Long-term debt obligations, net of current portion	70,520,000	2,159,000	72,679,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	71,000	—	71,000
Other postemployment benefits obligation	3,461,000	4,096,000	7,557,000
Other liabilities	3,000	1,900,000	1,903,000
Total noncurrent liabilities	<u>80,839,000</u>	<u>32,535,000</u>	<u>113,374,000</u>
Total liabilities	<u>119,570,000</u>	<u>40,960,000</u>	<u>160,530,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>207,000</u>	<u>207,000</u>
Net Position			
Net position:			
Net investment in capital assets	206,330,000	(3,360,000)	202,970,000
Restricted for:			
Nonexpendable – endowments	—	20,353,000	20,353,000
Expendable:			
Scholarships and fellowships	1,361,000	10,194,000	11,555,000
Research	—	—	—
Loans	209,000	—	209,000
Capital projects	549,000	—	549,000
Debt service	—	—	—
Other	1,885,000	—	1,885,000
Unrestricted	100,910,000	3,404,000	104,314,000
Total net position	<u>\$ 311,244,000</u>	<u>30,591,000</u>	<u>341,835,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$79,855,000)	\$ 78,982,000	4,698,000	—	83,680,000
Grants and contracts, noncapital:				
Federal	—	18,469,000	—	18,469,000
State	—	2,698,000	—	2,698,000
Local	—	498,000	—	498,000
Nongovernmental	—	1,603,000	—	1,603,000
Sales and services of educational activities	114,000	2,005,000	—	2,119,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,346,000)	10,946,000	5,432,000	—	16,378,000
Other operating revenues	5,988,000	643,000	—	6,631,000
Total operating revenues	<u>96,030,000</u>	<u>36,046,000</u>	<u>—</u>	<u>132,076,000</u>
Expenses:				
Operating expenses:				
Instruction	100,566,000	22,950,000	(1,729,000)	121,787,000
Research	2,479,000	—	—	2,479,000
Public service	2,451,000	—	—	2,451,000
Academic support	32,200,000	—	—	32,200,000
Student services	19,764,000	3,942,000	—	23,706,000
Institutional support	34,066,000	2,962,000	—	37,028,000
Operation and maintenance of plant	20,979,000	3,587,000	—	24,566,000
Student grants and scholarships	52,557,000	1,199,000	—	53,756,000
Auxiliary enterprise expenses	9,272,000	—	—	9,272,000
Depreciation and amortization	15,534,000	1,777,000	—	17,311,000
Total operating expenses	<u>289,868,000</u>	<u>36,417,000</u>	<u>(1,729,000)</u>	<u>324,556,000</u>
Operating loss	<u>(193,838,000)</u>	<u>(371,000)</u>	<u>1,729,000</u>	<u>(192,480,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	107,819,000	—	—	107,819,000
Federal financial aid grants, noncapital	61,374,000	—	—	61,374,000
State financial aid grants, noncapital	29,542,000	—	—	29,542,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	19,000	—	—	19,000
Other federal nonoperating grants, noncapital	94,000	—	—	94,000
Gifts, noncapital	10,000	2,504,000	—	2,514,000
Investment income, net	2,305,000	289,000	—	2,594,000
Endowment income, net	—	3,118,000	—	3,118,000
Interest expense	(3,399,000)	(1,277,000)	—	(4,676,000)
Other nonoperating revenues (expenses)	2,939,000	(112,000)	—	2,827,000
Net nonoperating revenues	<u>200,703,000</u>	<u>4,522,000</u>	<u>—</u>	<u>205,225,000</u>
Income before other revenues and expenses	6,865,000	4,151,000	1,729,000	12,745,000
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,928,000	—	(1,729,000)	199,000
Additions to permanent endowments	—	1,866,000	—	1,866,000
Increase in net position	<u>8,793,000</u>	<u>6,017,000</u>	<u>—</u>	<u>14,810,000</u>
Net position:				
Net position at beginning of year, as previously reported	302,451,000	24,574,000	—	327,025,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>302,451,000</u>	<u>24,574,000</u>	<u>—</u>	<u>327,025,000</u>
Net position at end of year	<u>\$ 311,244,000</u>	<u>30,591,000</u>	<u>—</u>	<u>341,835,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 78,001,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(42,856,000)
Payments to employees	(175,224,000)
Payments to students	(52,557,000)
Collections of student loans	247,000
Sales and services of educational activities	114,000
Sales and services of auxiliary enterprises	11,136,000
Other receipts	6,071,000
	<u>(175,068,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	107,819,000
Federal financial aid grants	61,357,000
State financial aid grants	29,740,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	19,000
Other federal nonoperating grants	94,000
Gifts and grants received for other than capital purposes	10,000
Federal loan program receipts	69,844,000
Federal loan program disbursements	(70,004,000)
Monies received on behalf of others	3,410,000
Monies disbursed on behalf of others	(3,130,000)
Other noncapital financing activities	2,934,000
	<u>202,093,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	9,286,000
State appropriations	49,000
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(7,934,000)
Issuance of notes receivable	—
Transfers to escrow agent	(9,237,000)
Principal paid on capital debt and leases	(2,690,000)
Interest paid on capital debt and leases	(3,481,000)
Principal collection on capital leases	1,364,000
Interest collection on capital leases	1,221,000
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(11,422,000)</u>

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 188,798,000
Purchases of investments	(205,535,000)
Investment income proceeds	<u>1,134,000</u>
Net cash used in investing activities	<u>(15,603,000)</u>
Net increase in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	<u>10,000</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	\$ (193,838,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,534,000
Change in assets and liabilities:	
Accounts receivable, net	(604,000)
Notes receivable	—
Student loans receivable, net	246,000
Pledges receivable, net	—
Prepaid expenses and other assets	472,000
Accounts payable	721,000
Accrued salaries and benefits	1,190,000
Accrued compensated absences	516,000
Unearned revenue	(333,000)
Depository accounts	—
Other postemployment benefits obligation	799,000
Other liabilities	<u>229,000</u>
Net cash used in operating activities	<u>\$ (175,068,000)</u>
Supplemental schedule of noncash transactions:	
Amortization of net bond premium	\$ 602,000
Amortization of loss on debt refundings	526,000
Change in accrued capital asset purchases	(39,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,130,000
Payments from discretely presented component units for other than salaries	5,781,000
Payments to discretely presented component units for services, space, and programs	3,358,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	3,229,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(285,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	109,000
Payments to the Office of the Chancellor for state pro rata charges	496,000
Accounts receivable from the Office of the Chancellor	501,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,826,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 157,000	1,363,000	1,520,000
Short-term investments	21,704,000	115,000	21,819,000
Accounts receivable, net	1,327,000	169,000	1,496,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	30,000	30,000
Pledges receivable, net	—	66,000	66,000
Prepaid expenses and other assets	1,570,000	27,000	1,597,000
Total current assets	<u>24,758,000</u>	<u>1,770,000</u>	<u>26,528,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,326,000	—	1,326,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,556,000	—	1,556,000
Pledges receivable, net	—	171,000	171,000
Endowment investments	—	6,724,000	6,724,000
Other long-term investments	1,090,000	—	1,090,000
Capital assets, net	110,123,000	1,521,000	111,644,000
Other assets	2,000	—	2,000
Total noncurrent assets	<u>114,097,000</u>	<u>8,416,000</u>	<u>122,513,000</u>
Total assets	<u>138,855,000</u>	<u>10,186,000</u>	<u>149,041,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	—	—	—
Liabilities			
Current liabilities:			
Accounts payable	5,802,000	56,000	5,858,000
Accrued salaries and benefits	1,502,000	—	1,502,000
Accrued compensated absences, current portion	690,000	—	690,000
Unearned revenue	1,706,000	—	1,706,000
Capitalized lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	628,000	4,000	632,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	378,000	—	378,000
Total current liabilities	<u>10,706,000</u>	<u>60,000</u>	<u>10,766,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	987,000	—	987,000
Unearned revenue	—	—	—
Grants refundable	1,854,000	—	1,854,000
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	29,734,000	48,000	29,782,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	168,000	—	168,000
Other postemployment benefits obligation	1,236,000	—	1,236,000
Other liabilities	—	—	—
Total noncurrent liabilities	<u>33,979,000</u>	<u>48,000</u>	<u>34,027,000</u>
Total liabilities	<u>44,685,000</u>	<u>108,000</u>	<u>44,793,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	80,501,000	1,521,000	82,022,000
Restricted for:			
Nonexpendable – endowments	—	6,730,000	6,730,000
Expendable:			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	47,000	—	47,000
Capital projects	—	115,000	115,000
Debt service	—	—	—
Other	2,976,000	1,091,000	4,067,000
Unrestricted	10,646,000	621,000	11,267,000
Total net position	<u>\$ 94,170,000</u>	<u>10,078,000</u>	<u>104,248,000</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$2,121,000)	\$ 8,939,000	215,000	—	9,154,000
Grants and contracts, noncapital:				
Federal	2,667,000	—	—	2,667,000
State	34,000	—	—	34,000
Local	49,000	—	—	49,000
Nongovernmental	1,222,000	—	—	1,222,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,555,000)	6,546,000	—	—	6,546,000
Other operating revenues	237,000	2,569,000	(4,000)	2,802,000
Total operating revenues	<u>19,694,000</u>	<u>2,784,000</u>	<u>(4,000)</u>	<u>22,474,000</u>
Expenses:				
Operating expenses:				
Instruction	15,015,000	—	—	15,015,000
Research	2,852,000	—	—	2,852,000
Public service	21,000	—	—	21,000
Academic support	2,052,000	—	—	2,052,000
Student services	5,495,000	32,000	—	5,527,000
Institutional support	7,195,000	222,000	—	7,417,000
Operation and maintenance of plant	5,790,000	—	—	5,790,000
Student grants and scholarships	797,000	406,000	(407,000)	796,000
Auxiliary enterprise expenses	5,221,000	692,000	(132,000)	5,781,000
Depreciation and amortization	3,764,000	350,000	—	4,114,000
Total operating expenses	<u>48,202,000</u>	<u>1,702,000</u>	<u>(539,000)</u>	<u>49,365,000</u>
Operating income (loss)	<u>(28,508,000)</u>	<u>1,082,000</u>	<u>535,000</u>	<u>(26,891,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	24,478,000	—	—	24,478,000
Federal financial aid grants, noncapital	1,756,000	—	—	1,756,000
State financial aid grants, noncapital	658,000	—	—	658,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	406,000	—	(406,000)	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	70,000	—	(70,000)	—
Investment income, net	179,000	697,000	—	876,000
Endowment income, net	—	135,000	—	135,000
Interest expense	(1,307,000)	—	—	(1,307,000)
Other nonoperating revenues	21,772,000	9,000	—	21,781,000
Net nonoperating revenues	<u>48,012,000</u>	<u>841,000</u>	<u>(476,000)</u>	<u>48,377,000</u>
Income before other revenues and expenses	19,504,000	1,923,000	59,000	21,486,000
State appropriations, capital	1,294,000	—	—	1,294,000
Grants and gifts, capital	59,000	—	(59,000)	—
Additions to permanent endowments	—	—	—	—
Increase in net position	<u>20,857,000</u>	<u>1,923,000</u>	<u>—</u>	<u>22,780,000</u>
Net position:				
Net position at beginning of year, as previously reported	73,313,000	8,155,000	—	81,468,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>73,313,000</u>	<u>8,155,000</u>	<u>—</u>	<u>81,468,000</u>
Net position at end of year	<u>\$ 94,170,000</u>	<u>10,078,000</u>	<u>—</u>	<u>104,248,000</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 8,955,000
Federal grants and contracts	3,437,000
State grants and contracts	87,000
Local grants and contracts	48,000
Nongovernmental grants and contracts	1,311,000
Payments to suppliers	(16,493,000)
Payments to employees	(27,104,000)
Payments to students	(1,622,000)
Collections of student loans	824,000
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	8,109,000
Other receipts	266,000
	<u>(22,182,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	24,478,000
Federal financial aid grants	1,756,000
State financial aid grants	658,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	407,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	70,000
Federal loan program receipts	7,263,000
Federal loan program disbursements	(7,276,000)
Monies received on behalf of others	816,000
Monies disbursed on behalf of others	(816,000)
Other noncapital financing activities	(7,924,000)
	<u>19,432,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	6,000
State appropriations	450,000
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(4,054,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(346,000)
Interest paid on capital debt and leases	(1,309,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(5,253,000)</u>

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 63,362,000
Purchases of investments	(55,740,000)
Investment income proceeds	323,000
	<u>7,945,000</u>
Net cash provided by investing activities	(58,000)
Net decrease in cash and cash equivalents	215,000
Cash and cash equivalents at beginning of year	<u>215,000</u>
Cash and cash equivalents at end of year	<u>\$ 157,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 157,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 157,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (28,508,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	3,764,000
Change in assets and liabilities:	
Accounts receivable, net	898,000
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	(329,000)
Accounts payable	(296,000)
Accrued salaries and benefits	329,000
Accrued compensated absences	84,000
Unearned revenue	1,626,000
Depository accounts	10,000
Other postemployment benefits obligation	239,000
Other liabilities	1,000
Net cash used in operating activities	<u>\$ (22,182,000)</u>
Supplemental schedule of noncash transactions:	
Acquisition of capital assets through capitalized lease	\$ 25,230,000
Construction work in progress acquired from the Office of the Chancellor	5,559,000
Change in accrued capital asset purchases	495,000
Amortization of net bond premium	65,000
Contributed capital assets	59,000
Gifts in kind	10,000

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ —
Payments from discretely presented component units for other than salaries	184,000
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	59,000
Gifts (cash or assets) from discretely presented component units	476,000
Accounts receivable from discretely presented component units	7,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,242,000
Payments to the Office of the Chancellor for state pro rata charges	148,000
Accounts receivable from the Office of the Chancellor	—
Accounts payable to the Office of the Chancellor	(4,416,000)
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	98,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ —	8,399,000	8,399,000
Short-term investments	40,130,000	255,000	40,385,000
Accounts receivable, net	2,186,000	3,976,000	6,162,000
Leases receivable, current portion	1,945,000	—	1,945,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	463,000	463,000
Prepaid expenses and other assets	729,000	1,550,000	2,279,000
Total current assets	<u>44,990,000</u>	<u>14,643,000</u>	<u>59,633,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	57,000	57,000
Accounts receivable, net	35,058,000	58,000	35,116,000
Leases receivable, net of current portion	58,130,000	—	58,130,000
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	—	—	—
Pledges receivable, net	—	94,000	94,000
Endowment investments	—	18,265,000	18,265,000
Other long-term investments	1,803,000	32,665,000	34,468,000
Capital assets, net	245,968,000	67,117,000	313,085,000
Other assets	1,000	—	1,000
Total noncurrent assets	<u>340,960,000</u>	<u>118,256,000</u>	<u>459,216,000</u>
Total assets	<u>385,950,000</u>	<u>132,899,000</u>	<u>518,849,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	—	3,344,000	3,344,000
Liabilities			
Current liabilities:			
Accounts payable	7,697,000	2,706,000	10,403,000
Accrued salaries and benefits	4,140,000	500,000	4,640,000
Accrued compensated absences, current portion	2,422,000	414,000	2,836,000
Unearned revenue	1,589,000	983,000	2,572,000
Capitalized lease obligations, current portion	—	1,945,000	1,945,000
Long-term debt obligations, current portion	2,258,000	—	2,258,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	66,000	—	66,000
Other liabilities	988,000	64,000	1,052,000
Total current liabilities	<u>19,160,000</u>	<u>6,612,000</u>	<u>25,772,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,531,000	—	1,531,000
Unearned revenue	—	—	—
Grants refundable	—	—	—
Capitalized lease obligations, net of current portion	—	63,351,000	63,351,000
Long-term debt obligations, net of current portion	60,516,000	—	60,516,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	1,411,000	1,411,000
Other postemployment benefits obligation	1,284,000	—	1,284,000
Other liabilities	—	36,000	36,000
Total noncurrent liabilities	<u>63,331,000</u>	<u>64,798,000</u>	<u>128,129,000</u>
Total liabilities	<u>82,491,000</u>	<u>71,410,000</u>	<u>153,901,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	—	—	—
Net Position			
Net position:			
Net investment in capital assets	243,269,000	5,165,000	248,434,000
Restricted for:			
Nonexpendable – endowments	—	9,757,000	9,757,000
Expendable:			
Scholarships and fellowships	301,000	5,957,000	6,258,000
Research	—	241,000	241,000
Loans	2,000	—	2,000
Capital projects	30,281,000	—	30,281,000
Debt service	—	—	—
Other	—	7,488,000	7,488,000
Unrestricted	29,606,000	36,225,000	65,831,000
Total net position	<u>\$ 303,459,000</u>	<u>64,833,000</u>	<u>368,292,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

	<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 \$15,872,000)	\$ 27,528,000	—	—	27,528,000
Grants and contracts, noncapital:				
Federal	—	8,512,000	—	8,512,000
State	—	849,000	—	849,000
Local	—	215,000	—	215,000
Nongovernmental	—	944,000	—	944,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$7,000)	916,000	31,061,000	—	31,977,000
Other operating revenues	6,375,000	564,000	—	6,939,000
Total operating revenues	<u>34,819,000</u>	<u>42,145,000</u>	<u>—</u>	<u>76,964,000</u>
Expenses:				
Operating expenses:				
Instruction	35,191,000	437,000	—	35,628,000
Research	130,000	4,535,000	—	4,665,000
Public service	619,000	3,541,000	—	4,160,000
Academic support	8,875,000	1,427,000	—	10,302,000
Student services	16,339,000	2,503,000	—	18,842,000
Institutional support	16,113,000	3,395,000	—	19,508,000
Operation and maintenance of plant	12,672,000	—	—	12,672,000
Student grants and scholarships	13,604,000	2,032,000	—	15,636,000
Auxiliary enterprise expenses	1,522,000	18,828,000	(763,000)	19,587,000
Depreciation and amortization	12,416,000	4,047,000	—	16,463,000
Total operating expenses	<u>117,481,000</u>	<u>40,745,000</u>	<u>(763,000)</u>	<u>157,463,000</u>
Operating income (loss)	<u>(82,662,000)</u>	<u>1,400,000</u>	<u>763,000</u>	<u>(80,499,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	55,680,000	—	—	55,680,000
Federal financial aid grants, noncapital	13,092,000	—	—	13,092,000
State financial aid grants, noncapital	6,765,000	—	—	6,765,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	752,000	2,117,000	(752,000)	2,117,000
Investment income, net	3,207,000	3,717,000	—	6,924,000
Endowment income, net	—	2,798,000	—	2,798,000
Interest expense	(2,920,000)	(2,754,000)	—	(5,674,000)
Other nonoperating revenues (expenses)	1,123,000	(450,000)	—	673,000
Net nonoperating revenues	<u>77,699,000</u>	<u>5,428,000</u>	<u>(752,000)</u>	<u>82,375,000</u>
Income (loss) before other revenues and expenses	<u>(4,963,000)</u>	<u>6,828,000</u>	<u>11,000</u>	<u>1,876,000</u>
State appropriations, capital	42,324,000	—	—	42,324,000
Grants and gifts, capital	165,000	(154,000)	(11,000)	—
Additions to permanent endowments	—	126,000	—	126,000
Increase in net position	<u>37,526,000</u>	<u>6,800,000</u>	<u>—</u>	<u>44,326,000</u>
Net position:				
Net position at beginning of year, as previously reported	265,933,000	58,033,000	—	323,966,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>265,933,000</u>	<u>58,033,000</u>	<u>—</u>	<u>323,966,000</u>
Net position at end of year	<u>\$ 303,459,000</u>	<u>64,833,000</u>	<u>—</u>	<u>368,292,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 27,934,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(20,003,000)
Payments to employees	(70,159,000)
Payments to students	(13,604,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	916,000
Other receipts	6,375,000
	<u>(68,541,000)</u>
Net cash used in operating activities	
Cash flows from noncapital financing activities:	
State appropriations	55,680,000
Federal financial aid grants	13,092,000
State financial aid grants	6,765,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	752,000
Federal loan program receipts	—
Federal loan program disbursements	—
Monies received on behalf of others	—
Monies disbursed on behalf of others	(651,000)
Other noncapital financing activities	876,000
	<u>76,514,000</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	7,548,000
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(12,212,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,181,000)
Interest paid on capital debt and leases	(2,920,000)
Principal collection on capital leases	1,875,000
Interest collection on capital leases	2,861,000
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(5,029,000)</u>
Net cash used in capital and related financing activities	

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 133,335,000
Purchases of investments	(136,880,000)
Investment income proceeds	331,000
	<u> </u>
Net cash provided by investing activities	(3,214,000)
	<u> </u>
Net decrease in cash and cash equivalents	(270,000)
Cash and cash equivalents at beginning of year	270,000
	<u> </u>
Cash and cash equivalents at end of year	\$ —
	<u> </u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ —
Restricted cash and cash equivalents	—
	<u> </u>
Total cash and cash equivalents at end of year	\$ —
	<u> </u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (82,662,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	12,416,000
Change in assets and liabilities:	
Accounts receivable, net	914,000
Notes receivable	—
Student loans receivable, net	(227,000)
Pledges receivable, net	—
Prepaid expenses and other assets	—
Accounts payable	(54,000)
Accrued salaries and benefits	86,000
Accrued compensated absences	416,000
Unearned revenue	459,000
Depository accounts	—
Other postemployment benefits obligation	274,000
Other liabilities	(163,000)
	<u> </u>
Net cash used in operating activities	\$ (68,541,000)
	<u> </u>
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ 4,777,000
Investment income automatically reinvested	344,000
Capital assets paid by the Office of the Chancellor	220,000
Contributed capital assets	165,000

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,580,000
Payments from discretely presented component units for other than salaries	3,928,000
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	271,000
Gifts (cash or assets) from discretely presented component units	2,424,000
Accounts receivable from discretely presented component units	1,091,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(56,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	803,000
Payments to the Office of the Chancellor for state pro rata charges	184,000
Accounts receivable from the Office of the Chancellor	93,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	804,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 13,000	9,075,000	9,088,000
Short-term investments	189,197,000	60,803,000	250,000,000
Accounts receivable, net	11,134,000	5,101,000	16,235,000
Leases receivable, current portion	345,000	—	345,000
Notes receivable, current portion	—	7,000	7,000
Pledges receivable, net	—	3,811,000	3,811,000
Prepaid expenses and other assets	3,118,000	671,000	3,789,000
Total current assets	<u>203,807,000</u>	<u>79,468,000</u>	<u>283,275,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	1,911,000	1,911,000
Accounts receivable, net	—	1,573,000	1,573,000
Leases receivable, net of current portion	7,870,000	—	7,870,000
Notes receivable, net of current portion	—	280,000	280,000
Student loans receivable, net	2,998,000	—	2,998,000
Pledges receivable, net	—	7,960,000	7,960,000
Endowment investments	—	79,459,000	79,459,000
Other long-term investments	37,696,000	13,026,000	50,722,000
Capital assets, net	501,694,000	21,877,000	523,571,000
Other assets	62,000	1,527,000	1,589,000
Total noncurrent assets	<u>550,320,000</u>	<u>127,613,000</u>	<u>677,933,000</u>
Total assets	<u>754,127,000</u>	<u>207,081,000</u>	<u>961,208,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>2,264,000</u>	<u>—</u>	<u>2,264,000</u>
Liabilities			
Current liabilities:			
Accounts payable	10,574,000	2,826,000	13,400,000
Accrued salaries and benefits	22,819,000	1,754,000	24,573,000
Accrued compensated absences, current portion	9,356,000	613,000	9,969,000
Unearned revenue	24,152,000	3,494,000	27,646,000
Capitalized lease obligations, current portion	—	345,000	345,000
Long-term debt obligations, current portion	18,716,000	391,000	19,107,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	103,000	2,678,000	2,781,000
Other liabilities	3,070,000	111,000	3,181,000
Total current liabilities	<u>88,790,000</u>	<u>12,212,000</u>	<u>101,002,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,299,000	197,000	6,496,000
Unearned revenue	—	—	—
Grants refundable	3,509,000	—	3,509,000
Capitalized lease obligations, net of current portion	—	8,574,000	8,574,000
Long-term debt obligations, net of current portion	146,194,000	3,708,000	149,902,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	10,327,000	4,168,000	14,495,000
Other liabilities	—	—	—
Total noncurrent liabilities	<u>166,329,000</u>	<u>16,647,000</u>	<u>182,976,000</u>
Total liabilities	<u>255,119,000</u>	<u>28,859,000</u>	<u>283,978,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	353,798,000	8,858,000	362,656,000
Restricted for:			
Nonexpendable – endowments	—	52,567,000	52,567,000
Expendable:			
Scholarships and fellowships	574,000	22,794,000	23,368,000
Research	—	3,535,000	3,535,000
Loans	304,000	—	304,000
Capital projects	18,000	3,371,000	3,389,000
Debt service	106,000	—	106,000
Other	—	41,888,000	41,888,000
Unrestricted	146,472,000	45,209,000	191,681,000
Total net position	<u>\$ 501,272,000</u>	<u>178,222,000</u>	<u>679,494,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$113,213,000)	\$ 180,912,000	17,454,000	—	198,366,000
Grants and contracts, noncapital:				
Federal	—	27,387,000	—	27,387,000
State	—	1,572,000	—	1,572,000
Local	—	512,000	—	512,000
Nongovernmental	119,000	1,790,000	—	1,909,000
Sales and services of educational activities	1,320,000	—	—	1,320,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	30,932,000	19,097,000	—	50,029,000
Other operating revenues	16,228,000	3,093,000	—	19,321,000
Total operating revenues	<u>229,511,000</u>	<u>70,905,000</u>	<u>—</u>	<u>300,416,000</u>
Expenses:				
Operating expenses:				
Instruction	169,648,000	454,000	(64,000)	170,038,000
Research	6,229,000	28,592,000	—	34,821,000
Public service	1,705,000	696,000	—	2,401,000
Academic support	48,546,000	522,000	—	49,068,000
Student services	68,938,000	18,797,000	—	87,735,000
Institutional support	38,699,000	3,354,000	—	42,053,000
Operation and maintenance of plant	31,296,000	30,000	—	31,326,000
Student grants and scholarships	85,953,000	2,110,000	—	88,063,000
Auxiliary enterprise expenses	22,246,000	16,553,000	—	38,799,000
Depreciation and amortization	28,227,000	2,055,000	—	30,282,000
Total operating expenses	<u>501,487,000</u>	<u>73,163,000</u>	<u>(64,000)</u>	<u>574,586,000</u>
Operating loss	<u>(271,976,000)</u>	<u>(2,258,000)</u>	<u>64,000</u>	<u>(274,170,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	147,276,000	—	—	147,276,000
Federal financial aid grants, noncapital	82,274,000	—	—	82,274,000
State financial aid grants, noncapital	47,674,000	—	—	47,674,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	4,755,000	—	—	4,755,000
Other federal nonoperating grants, noncapital	657,000	—	—	657,000
Gifts, noncapital	98,000	15,199,000	—	15,297,000
Investment income, net	2,216,000	17,108,000	—	19,324,000
Endowment income, net	—	445,000	—	445,000
Interest expense	(7,426,000)	(498,000)	—	(7,924,000)
Other nonoperating revenues (expenses)	11,269,000	(6,098,000)	—	5,171,000
Net nonoperating revenues	<u>288,793,000</u>	<u>26,156,000</u>	<u>—</u>	<u>314,949,000</u>
Income before other revenues and expenses	16,817,000	23,898,000	64,000	40,779,000
State appropriations, capital	—	—	—	—
Grants and gifts, capital	277,000	—	(64,000)	213,000
Additions to permanent endowments	—	2,302,000	—	2,302,000
Increase in net position	<u>17,094,000</u>	<u>26,200,000</u>	<u>—</u>	<u>43,294,000</u>
Net position:				
Net position at beginning of year, as previously reported	484,178,000	151,580,000	—	635,758,000
Restatements	—	442,000	—	442,000
Net position at beginning of year, as restated	<u>484,178,000</u>	<u>152,022,000</u>	<u>—</u>	<u>636,200,000</u>
Net position at end of year	<u>\$ 501,272,000</u>	<u>178,222,000</u>	<u>—</u>	<u>679,494,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 180,375,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	119,000
Payments to suppliers	(90,594,000)
Payments to employees	(292,119,000)
Payments to students	(87,207,000)
Collections of student loans	—
Sales and services of educational activities	1,320,000
Sales and services of auxiliary enterprises	31,308,000
Other receipts	15,836,000
	<u>(240,962,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	147,276,000
Federal financial aid grants	82,249,000
State financial aid grants	47,674,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	4,755,000
Other federal nonoperating grants	657,000
Gifts and grants received for other than capital purposes	97,000
Federal loan program receipts	121,478,000
Federal loan program disbursements	(121,807,000)
Monies received on behalf of others	256,000
Monies disbursed on behalf of others	(304,000)
Other noncapital financing activities	10,220,000
	<u>292,551,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	13,664,000
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	213,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(24,528,000)
Issuance of notes receivable	—
Transfers to escrow agent	(3,552,000)
Principal paid on capital debt and leases	(8,768,000)
Interest paid on capital debt and leases	(7,802,000)
Principal collection on capital leases	330,000
Interest collection on capital leases	389,000
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(30,054,000)</u>

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 572,263,000
Purchases of investments	(596,139,000)
Investment income proceeds	<u>1,943,000</u>
Net cash provided by investing activities	<u>(21,933,000)</u>
Net decrease in cash and cash equivalents	(398,000)
Cash and cash equivalents at beginning of year	<u>411,000</u>
Cash and cash equivalents at end of year	<u>\$ 13,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 13,000
Restricted cash and cash equivalents	<u>—</u>
Total cash and cash equivalents at end of year	<u>\$ 13,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (271,976,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	28,227,000
Change in assets and liabilities:	
Accounts receivable, net	(3,347,000)
Notes receivable	—
Student loans receivable, net	(1,072,000)
Pledges receivable, net	—
Prepaid expenses and other assets	(287,000)
Accounts payable	52,000
Accrued salaries and benefits	1,515,000
Accrued compensated absences	1,090,000
Unearned revenue	2,795,000
Depository accounts	—
Other postemployment benefits obligation	1,932,000
Other liabilities	<u>109,000</u>
Net cash used in operating activities	<u>\$ (240,962,000)</u>
Supplemental schedule of noncash transactions:	
Capital assets paid by the Office of the Chancellor	\$ 1,387,000
Amortization of net bond premium	596,000
Amortization of loss on debt refundings	191,000
Contributed capital assets	64,000
Change in accrued capital asset purchases	(1,745,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,873,000
Payments from discretely presented component units for other than salaries	4,744,000
Payments to discretely presented component units for services, space, and programs	16,112,000
Gifts in kind from discretely presented component units	49,000
Gifts (cash or assets) from discretely presented component units	15,000
Accounts receivable from discretely presented component units	577,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(195,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	540,000
Payments to the Office of the Chancellor for state pro rata charges	1,347,000
Accounts receivable from the Office of the Chancellor	651,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(22,000)
State lottery appropriations received	2,191,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10,000	4,819,000	4,829,000
Short-term investments	156,706,000	20,011,000	176,717,000
Accounts receivable, net	14,052,000	6,834,000	20,886,000
Leases receivable, current portion	820,000	—	820,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	4,998,000	4,998,000
Prepaid expenses and other assets	4,167,000	2,259,000	6,426,000
Total current assets	<u>175,755,000</u>	<u>38,921,000</u>	<u>214,676,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	1,191,000	1,191,000
Accounts receivable, net	867,000	—	867,000
Leases receivable, net of current portion	25,885,000	—	25,885,000
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	5,545,000	—	5,545,000
Pledges receivable, net	—	3,614,000	3,614,000
Endowment investments	—	85,622,000	85,622,000
Other long-term investments	23,964,000	33,792,000	57,756,000
Capital assets, net	439,179,000	53,984,000	493,163,000
Other assets	—	—	—
Total noncurrent assets	<u>495,440,000</u>	<u>178,203,000</u>	<u>673,643,000</u>
Total assets	<u>671,195,000</u>	<u>217,124,000</u>	<u>888,319,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>2,504,000</u>	<u>486,000</u>	<u>2,990,000</u>
Liabilities			
Current liabilities:			
Accounts payable	10,380,000	2,716,000	13,096,000
Accrued salaries and benefits	14,375,000	524,000	14,899,000
Accrued compensated absences, current portion	6,182,000	590,000	6,772,000
Unearned revenue	7,117,000	1,230,000	8,347,000
Capitalized lease obligations, current portion	—	825,000	825,000
Long-term debt obligations, current portion	5,900,000	—	5,900,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	466,000	—	466,000
Other liabilities	6,107,000	5,002,000	11,109,000
Total current liabilities	<u>50,527,000</u>	<u>10,887,000</u>	<u>61,414,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,083,000	265,000	3,348,000
Unearned revenue	—	—	—
Grants refundable	5,667,000	—	5,667,000
Capitalized lease obligations, net of current portion	—	27,909,000	27,909,000
Long-term debt obligations, net of current portion	233,241,000	—	233,241,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	727,000	727,000
Other postemployment benefits obligation	4,130,000	3,610,000	7,740,000
Other liabilities	—	878,000	878,000
Total noncurrent liabilities	<u>246,121,000</u>	<u>33,389,000</u>	<u>279,510,000</u>
Total liabilities	<u>296,648,000</u>	<u>44,276,000</u>	<u>340,924,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	239,090,000	25,737,000	264,827,000
Restricted for:			
Nonexpendable – endowments	—	86,644,000	86,644,000
Expendable:			
Scholarships and fellowships	31,000	3,775,000	3,806,000
Research	—	—	—
Loans	361,000	—	361,000
Capital projects	4,275,000	6,495,000	10,770,000
Debt service	690,000	—	690,000
Other	—	29,561,000	29,561,000
Unrestricted	132,604,000	21,122,000	153,726,000
Total net position	<u>\$ 377,051,000</u>	<u>173,334,000</u>	<u>550,385,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

	<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 \$67,366,000)	\$ 85,651,000	10,256,000	(3,587,000)	92,320,000
Grants and contracts, noncapital:				
Federal	—	8,089,000	—	8,089,000
State	—	2,110,000	—	2,110,000
Local	—	—	—	—
Nongovernmental	—	2,105,000	—	2,105,000
Sales and services of educational activities	5,000	5,242,000	—	5,247,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$7,465,000)	22,020,000	38,000,000	—	60,020,000
Other operating revenues	6,494,000	2,982,000	—	9,476,000
Total operating revenues	<u>114,170,000</u>	<u>68,784,000</u>	<u>(3,587,000)</u>	<u>179,367,000</u>
Expenses:				
Operating expenses:				
Instruction	108,350,000	9,342,000	(100,000)	117,592,000
Research	1,689,000	4,193,000	—	5,882,000
Public service	113,000	514,000	—	627,000
Academic support	27,924,000	4,834,000	(400,000)	32,358,000
Student services	28,092,000	7,241,000	—	35,333,000
Institutional support	27,257,000	1,807,000	—	29,064,000
Operation and maintenance of plant	26,482,000	343,000	—	26,825,000
Student grants and scholarships	31,539,000	1,309,000	(2,280,000)	30,568,000
Auxiliary enterprise expenses	13,335,000	37,930,000	(3,587,000)	47,678,000
Depreciation and amortization	21,243,000	3,925,000	—	25,168,000
Total operating expenses	<u>286,024,000</u>	<u>71,438,000</u>	<u>(6,367,000)</u>	<u>351,095,000</u>
Operating loss	<u>(171,854,000)</u>	<u>(2,654,000)</u>	<u>2,780,000</u>	<u>(171,728,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	108,644,000	—	—	108,644,000
Federal financial aid grants, noncapital	45,154,000	—	—	45,154,000
State financial aid grants, noncapital	27,226,000	—	—	27,226,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	2,570,000	—	(2,073,000)	497,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	797,000	17,406,000	(604,000)	17,599,000
Investment income, net	2,540,000	3,087,000	—	5,627,000
Endowment income, net	—	11,517,000	—	11,517,000
Interest expense	(7,901,000)	(1,342,000)	—	(9,243,000)
Other nonoperating revenues (expenses)	2,526,000	(2,493,000)	3,323,000	3,356,000
Net nonoperating revenues	<u>181,556,000</u>	<u>28,175,000</u>	<u>646,000</u>	<u>210,377,000</u>
Income before other revenues and expenses	9,702,000	25,521,000	3,426,000	38,649,000
State appropriations, capital				
Grants and gifts, capital	3,672,000	—	(3,426,000)	246,000
Additions to permanent endowments	—	—	—	—
Increase in net position	<u>13,374,000</u>	<u>25,521,000</u>	<u>—</u>	<u>38,895,000</u>
Net position:				
Net position at beginning of year, as previously reported	363,677,000	147,813,000	—	511,490,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>363,677,000</u>	<u>147,813,000</u>	<u>—</u>	<u>511,490,000</u>
Net position at end of year	<u>\$ 377,051,000</u>	<u>173,334,000</u>	<u>—</u>	<u>550,385,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 85,313,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(48,262,000)
Payments to employees	(182,470,000)
Payments to students	(31,894,000)
Collections of student loans	803,000
Sales and services of educational activities	5,000
Sales and services of auxiliary enterprises	21,363,000
Other receipts	6,494,000
	<u>(148,648,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	108,644,000
Federal financial aid grants	45,196,000
State financial aid grants	27,255,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	2,570,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	208,000
Federal loan program receipts	66,311,000
Federal loan program disbursements	(66,306,000)
Monies received on behalf of others	16,912,000
Monies disbursed on behalf of others	(16,688,000)
Other noncapital financing activities	3,058,000
	<u>187,160,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	29,775,000
State appropriations	1,678,000
State appropriations – SPWB Lease Revenue Bonds program	(866,000)
Capital grants and gifts	4,074,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(35,690,000)
Issuance of notes receivable	—
Transfers to escrow agent	(28,740,000)
Principal paid on capital debt and leases	(5,934,000)
Interest paid on capital debt and leases	(9,441,000)
Principal collection on capital leases	780,000
Interest collection on capital leases	1,218,000
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(43,146,000)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 448,816,000
Purchases of investments	(445,647,000)
Investment income proceeds	989,000
	<u>4,158,000</u>
Net cash provided by investing activities	4,158,000
Net decrease in cash and cash equivalents	(476,000)
Cash and cash equivalents at beginning of year	486,000
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	—
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	\$ (171,854,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	21,243,000
Change in assets and liabilities:	
Accounts receivable, net	(82,000)
Notes receivable	—
Student loans receivable, net	28,000
Pledges receivable, net	—
Prepaid expenses and other assets	(1,000,000)
Accounts payable	(19,000)
Accrued salaries and benefits	1,232,000
Accrued compensated absences	274,000
Unearned revenue	218,000
Depository accounts	—
Other postemployment benefits obligation	775,000
Other liabilities	537,000
Net cash used in operating activities	\$ <u>(148,648,000)</u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 2,289,000
Change in accrued capital asset purchases	1,147,000
Amortization of net bond premium	1,093,000
Amortization of loss on debt refundings	597,000
Gifts in kind	589,000

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,567,000
Payments from discretely presented component units for other than salaries	10,784,000
Payments to discretely presented component units for services, space, and programs	18,681,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,392,000
Accounts receivable from discretely presented component units	919,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,601,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	197,000
Payments to the Office of the Chancellor for state pro rata charges	612,000
Accounts receivable from the Office of the Chancellor	255,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,724,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 935,000	3,369,000	4,304,000
Short-term investments	166,119,000	35,173,000	201,292,000
Accounts receivable, net	10,311,000	12,141,000	22,452,000
Leases receivable, current portion	607,000	789,000	1,396,000
Notes receivable, current portion	101,000	36,000	137,000
Pledges receivable, net	240,000	763,000	1,003,000
Prepaid expenses and other assets	2,194,000	1,157,000	3,351,000
Total current assets	<u>180,507,000</u>	<u>53,428,000</u>	<u>233,935,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	67,000	7,463,000	7,530,000
Accounts receivable, net	—	—	—
Leases receivable, net of current portion	21,191,000	43,780,000	64,971,000
Notes receivable, net of current portion	502,000	323,000	825,000
Student loans receivable, net	5,144,000	—	5,144,000
Pledges receivable, net	960,000	5,212,000	6,172,000
Endowment investments	5,998,000	25,913,000	31,911,000
Other long-term investments	23,889,000	28,201,000	52,090,000
Capital assets, net	339,721,000	54,964,000	394,685,000
Other assets	14,000	276,000	290,000
Total noncurrent assets	<u>397,486,000</u>	<u>166,132,000</u>	<u>563,618,000</u>
Total assets	<u>577,993,000</u>	<u>219,560,000</u>	<u>797,553,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>909,000</u>	<u>—</u>	<u>909,000</u>
Liabilities			
Current liabilities:			
Accounts payable	5,250,000	4,712,000	9,962,000
Accrued salaries and benefits	16,815,000	2,857,000	19,672,000
Accrued compensated absences, current portion	7,567,000	1,303,000	8,870,000
Unearned revenue	21,205,000	2,380,000	23,585,000
Capitalized lease obligations, current portion	899,000	500,000	1,399,000
Long-term debt obligations, current portion	4,951,000	1,891,000	6,842,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	1,143,000	1,390,000	2,533,000
Other liabilities	2,179,000	322,000	2,501,000
Total current liabilities	<u>60,009,000</u>	<u>15,355,000</u>	<u>75,364,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,328,000	59,000	3,387,000
Unearned revenue	354,000	5,445,000	5,799,000
Grants refundable	6,486,000	1,887,000	8,373,000
Capitalized lease obligations, net of current portion	35,689,000	18,506,000	54,195,000
Long-term debt obligations, net of current portion	166,829,000	66,215,000	233,044,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	10,886,000	4,989,000	15,875,000
Other liabilities	54,000	1,742,000	1,796,000
Total noncurrent liabilities	<u>223,626,000</u>	<u>98,843,000</u>	<u>322,469,000</u>
Total liabilities	<u>283,635,000</u>	<u>114,198,000</u>	<u>397,833,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	154,712,000	12,419,000	167,131,000
Restricted for:			
Nonexpendable – endowments	5,998,000	22,264,000	28,262,000
Expendable:			
Scholarships and fellowships	737,000	4,165,000	4,902,000
Research	—	—	—
Loans	1,300,000	—	1,300,000
Capital projects	6,000	—	6,000
Debt service	—	—	—
Other	2,929,000	18,036,000	20,965,000
Unrestricted	129,585,000	48,478,000	178,063,000
Total net position	<u>\$ 295,267,000</u>	<u>105,362,000</u>	<u>400,629,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$88,466,000)	\$ 118,667,000	9,912,000	—	128,579,000
Grants and contracts, noncapital:				
Federal	475,000	11,575,000	—	12,050,000
State	2,023,000	13,001,000	—	15,024,000
Local	628,000	986,000	—	1,614,000
Nongovernmental	107,000	3,027,000	—	3,134,000
Sales and services of educational activities	3,421,000	11,342,000	—	14,763,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,290,000)	18,274,000	35,117,000	(3,256,000)	50,135,000
Other operating revenues	10,680,000	4,459,000	—	15,139,000
Total operating revenues	<u>154,275,000</u>	<u>89,419,000</u>	<u>(3,256,000)</u>	<u>240,438,000</u>
Expenses:				
Operating expenses:				
Instruction	134,431,000	9,674,000	—	144,105,000
Research	722,000	6,444,000	—	7,166,000
Public service	3,778,000	24,189,000	—	27,967,000
Academic support	29,660,000	1,046,000	—	30,706,000
Student services	36,453,000	9,545,000	—	45,998,000
Institutional support	35,491,000	28,841,000	(4,143,000)	60,189,000
Operation and maintenance of plant	36,913,000	5,066,000	—	41,979,000
Student grants and scholarships	61,914,000	1,374,000	—	63,288,000
Auxiliary enterprise expenses	11,043,000	4,733,000	—	15,776,000
Depreciation and amortization	21,580,000	3,125,000	—	24,705,000
Total operating expenses	<u>371,985,000</u>	<u>94,037,000</u>	<u>(4,143,000)</u>	<u>461,879,000</u>
Operating loss	<u>(217,710,000)</u>	<u>(4,618,000)</u>	<u>887,000</u>	<u>(221,441,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	121,833,000	—	—	121,833,000
Federal financial aid grants, noncapital	64,566,000	—	—	64,566,000
State financial aid grants, noncapital	41,342,000	—	—	41,342,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	100,000	(100,000)	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	592,000	8,819,000	(191,000)	9,220,000
Investment income, net	2,580,000	6,070,000	—	8,650,000
Endowment income, net	42,000	—	—	42,000
Interest expense	(10,516,000)	(4,051,000)	—	(14,567,000)
Other nonoperating revenues (expenses)	3,287,000	(260,000)	89,000	3,116,000
Net nonoperating revenues	<u>223,726,000</u>	<u>10,678,000</u>	<u>(202,000)</u>	<u>234,202,000</u>
Income before other revenues and expenses	6,016,000	6,060,000	685,000	12,761,000
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,719,000	—	(685,000)	2,034,000
Additions to permanent endowments	(1,902,000)	4,830,000	—	2,928,000
Increase in net position	<u>6,833,000</u>	<u>10,890,000</u>	<u>—</u>	<u>17,723,000</u>
Net position:				
Net position at beginning of year, as previously reported	288,434,000	94,472,000	—	382,906,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>288,434,000</u>	<u>94,472,000</u>	<u>—</u>	<u>382,906,000</u>
Net position at end of year	<u>\$ 295,267,000</u>	<u>105,362,000</u>	<u>—</u>	<u>400,629,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 119,981,000
Federal grants and contracts	624,000
State grants and contracts	2,878,000
Local grants and contracts	628,000
Nongovernmental grants and contracts	48,000
Payments to suppliers	(60,628,000)
Payments to employees	(225,141,000)
Payments to students	(61,719,000)
Collections of student loans	14,000
Sales and services of educational activities	3,150,000
Sales and services of auxiliary enterprises	17,556,000
Other receipts	10,603,000
	<u>(192,006,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	121,833,000
Federal financial aid grants	64,535,000
State financial aid grants	41,342,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	591,000
Federal loan program receipts	104,322,000
Federal loan program disbursements	(104,262,000)
Monies received on behalf of others	15,924,000
Monies disbursed on behalf of others	(15,755,000)
Other noncapital financing activities	1,439,000
	<u>229,969,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	12,272,000
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	646,000
Proceeds from sale of capital assets	23,000
Acquisition of capital assets	(12,248,000)
Issuance of notes receivable	—
Transfers to escrow agent	(12,215,000)
Principal paid on capital debt and leases	(5,585,000)
Interest paid on capital debt and leases	(11,621,000)
Principal collection on capital leases	577,000
Interest collection on capital leases	1,079,000
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(27,072,000)</u>

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 475,044,000
Purchases of investments	(486,201,000)
Investment income proceeds	<u>1,068,000</u>
Net cash provided by investing activities	<u>(10,089,000)</u>
Net decrease in cash and cash equivalents	802,000
Cash and cash equivalents at beginning of year	<u>200,000</u>
Cash and cash equivalents at end of year	<u>\$ 1,002,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 935,000
Restricted cash and cash equivalents	<u>67,000</u>
Total cash and cash equivalents at end of year	<u>\$ 1,002,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (217,710,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	21,580,000
Change in assets and liabilities:	
Accounts receivable, net	(622,000)
Notes receivable	—
Student loans receivable, net	(2,000)
Pledges receivable, net	—
Prepaid expenses and other assets	(458,000)
Accounts payable	(54,000)
Accrued salaries and benefits	1,067,000
Accrued compensated absences	664,000
Unearned revenue	1,670,000
Depository accounts	—
Other postemployment benefits obligation	1,632,000
Other liabilities	<u>227,000</u>
Net cash used in operating activities	<u>\$ (192,006,000)</u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 868,000
Amortization of net bond premium	707,000
Amortization of loss on debt refundings	77,000
Capital assets paid by the Office of the Chancellor	48,000
Change in accrued capital asset purchases	(842,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,631,000
Payments from discretely presented component units for other than salaries	3,889,000
Payments to discretely presented component units for services, space, and programs	3,124,000
Gifts in kind from discretely presented component units	37,000
Gifts (cash or assets) from discretely presented component units	877,000
Accounts receivable from discretely presented component units	2,095,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(556,000)
Other amounts payable to discretely presented component units	(1,089,000)
Payments to the Office of the Chancellor for administrative activities	286,000
Payments to the Office of the Chancellor for state pro rata charges	1,145,000
Accounts receivable from the Office of the Chancellor	371,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,894,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 17,000	6,580,000	6,597,000
Short-term investments	86,865,000	13,023,000	99,888,000
Accounts receivable, net	2,779,000	2,478,000	5,257,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	440,000	440,000
Prepaid expenses and other assets	1,003,000	149,000	1,152,000
Total current assets	<u>90,664,000</u>	<u>22,670,000</u>	<u>113,334,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	130,000	130,000
Accounts receivable, net	708,000	—	708,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,042,000	—	1,042,000
Pledges receivable, net	—	542,000	542,000
Endowment investments	—	24,458,000	24,458,000
Other long-term investments	235,000	5,430,000	5,665,000
Capital assets, net	320,607,000	6,473,000	327,080,000
Other assets	55,000	91,000	146,000
Total noncurrent assets	<u>322,647,000</u>	<u>37,124,000</u>	<u>359,771,000</u>
Total assets	<u>413,311,000</u>	<u>59,794,000</u>	<u>473,105,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>1,763,000</u>	<u>—</u>	<u>1,763,000</u>
Liabilities			
Current liabilities:			
Accounts payable	3,021,000	1,572,000	4,593,000
Accrued salaries and benefits	9,849,000	537,000	10,386,000
Accrued compensated absences, current portion	5,083,000	129,000	5,212,000
Unearned revenue	6,052,000	—	6,052,000
Capitalized lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	3,944,000	—	3,944,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	2,502,000	1,453,000	3,955,000
Total current liabilities	<u>30,451,000</u>	<u>3,691,000</u>	<u>34,142,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,183,000	206,000	3,389,000
Unearned revenue	—	71,000	71,000
Grants refundable	1,437,000	—	1,437,000
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	107,959,000	—	107,959,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	219,000	—	219,000
Other postemployment benefits obligation	3,450,000	5,173,000	8,623,000
Other liabilities	—	1,927,000	1,927,000
Total noncurrent liabilities	<u>116,248,000</u>	<u>7,377,000</u>	<u>123,625,000</u>
Total liabilities	<u>146,699,000</u>	<u>11,068,000</u>	<u>157,767,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	211,505,000	6,473,000	217,978,000
Restricted for:			
Nonexpendable – endowments	—	18,646,000	18,646,000
Expendable:			
Scholarships and fellowships	428,000	5,551,000	5,979,000
Research	—	—	—
Loans	565,000	—	565,000
Capital projects	277,000	—	277,000
Debt service	—	—	—
Other	—	12,217,000	12,217,000
Unrestricted	55,600,000	5,839,000	61,439,000
Total net position	<u>\$ 268,375,000</u>	<u>48,726,000</u>	<u>317,101,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$68,123,000)	\$ 68,239,000	1,619,000	—	69,858,000
Grants and contracts, noncapital:				
Federal	—	13,914,000	—	13,914,000
State	—	8,079,000	—	8,079,000
Local	—	—	—	—
Nongovernmental	—	414,000	—	414,000
Sales and services of educational activities	171,000	—	—	171,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,689,000)	10,021,000	4,552,000	—	14,573,000
Other operating revenues	7,003,000	2,166,000	—	9,169,000
Total operating revenues	<u>85,434,000</u>	<u>30,744,000</u>	<u>—</u>	<u>116,178,000</u>
Expenses:				
Operating expenses:				
Instruction	85,054,000	1,210,000	—	86,264,000
Research	348,000	8,632,000	—	8,980,000
Public service	1,087,000	5,994,000	—	7,081,000
Academic support	21,184,000	450,000	—	21,634,000
Student services	23,702,000	9,940,000	(567,000)	33,075,000
Institutional support	29,855,000	2,925,000	—	32,780,000
Operation and maintenance of plant	19,979,000	—	—	19,979,000
Student grants and scholarships	40,058,000	1,680,000	567,000	42,305,000
Auxiliary enterprise expenses	9,026,000	2,510,000	—	11,536,000
Depreciation and amortization	18,337,000	532,000	—	18,869,000
Total operating expenses	<u>248,630,000</u>	<u>33,873,000</u>	<u>—</u>	<u>282,503,000</u>
Operating loss	<u>(163,196,000)</u>	<u>(3,129,000)</u>	<u>—</u>	<u>(166,325,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	81,530,000	—	—	81,530,000
Federal financial aid grants, noncapital	47,402,000	—	—	47,402,000
State financial aid grants, noncapital	27,058,000	—	—	27,058,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	43,000	—	—	43,000
Other federal nonoperating grants, noncapital	85,000	—	—	85,000
Gifts, noncapital	8,000	3,316,000	—	3,324,000
Investment income, net	683,000	—	—	683,000
Endowment income, net	—	3,526,000	—	3,526,000
Interest expense	(4,788,000)	—	—	(4,788,000)
Other nonoperating revenues	2,723,000	2,879,000	—	5,602,000
Net nonoperating revenues	<u>154,744,000</u>	<u>9,721,000</u>	<u>—</u>	<u>164,465,000</u>
Income (loss) before other revenues and expenses	<u>(8,452,000)</u>	<u>6,592,000</u>	<u>—</u>	<u>(1,860,000)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	171,000	—	—	171,000
Additions to permanent endowments	—	694,000	—	694,000
Increase (decrease) in net position	<u>(8,281,000)</u>	<u>7,286,000</u>	<u>—</u>	<u>(995,000)</u>
Net position:				
Net position at beginning of year, as previously reported	276,656,000	41,440,000	—	318,096,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>276,656,000</u>	<u>41,440,000</u>	<u>—</u>	<u>318,096,000</u>
Net position at end of year	<u>\$ 268,375,000</u>	<u>48,726,000</u>	<u>—</u>	<u>317,101,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 68,588,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(33,567,000)
Payments to employees	(153,997,000)
Payments to students	(40,379,000)
Collections of student loans	—
Sales and services of educational activities	171,000
Sales and services of auxiliary enterprises	9,926,000
Other receipts	7,466,000
	<u>(141,792,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	81,530,000
Federal financial aid grants	47,548,000
State financial aid grants	26,682,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	43,000
Other federal nonoperating grants	85,000
Gifts and grants received for other than capital purposes	8,000
Federal loan program receipts	215,000
Federal loan program disbursements	(284,000)
Monies received on behalf of others	49,000
Monies disbursed on behalf of others	—
Other noncapital financing activities	2,649,000
	<u>158,525,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	23,848,000
State appropriations	1,252,000
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(5,222,000)
Issuance of notes receivable	—
Transfers to escrow agent	(23,415,000)
Principal paid on capital debt and leases	(3,892,000)
Interest paid on capital debt and leases	(5,026,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(12,455,000)</u>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 343,667,000
Purchases of investments	(348,523,000)
Investment income proceeds	578,000
	<u>(4,278,000)</u>
Net cash provided by investing activities	—
Net increase in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	<u>17,000</u>
Cash and cash equivalents at end of year	<u>\$ 17,000</u>
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	<u>\$ 17,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (163,196,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,337,000
Change in assets and liabilities:	
Accounts receivable, net	(92,000)
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	286,000
Accounts payable	847,000
Accrued salaries and benefits	394,000
Accrued compensated absences	467,000
Unearned revenue	810,000
Depository accounts	—
Other postemployment benefits obligation	677,000
Other liabilities	(322,000)
Net cash used in operating activities	<u>\$ (141,792,000)</u>
Supplemental schedule of noncash transactions:	
Acquisition of capital assets through long-term debt obligations	\$ 1,140,000
Amortization of net bond premium	488,000
Gifts in kind	171,000
Amortization of loss on debt refundings	129,000
Capital assets paid by the Office of the Chancellor	128,000
Change in accrued capital asset purchases	(62,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,523,000
Payments from discretely presented component units for other than salaries	7,531,000
Payments to discretely presented component units for services, space, and programs	1,380,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	721,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(113,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	112,000
Payments to the Office of the Chancellor for state pro rata charges	469,000
Accounts receivable from the Office of the Chancellor	589,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,111,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 23,000	30,263,000	30,286,000
Short-term investments	263,477,000	28,607,000	292,084,000
Accounts receivable, net	10,057,000	39,941,000	49,998,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	263,000	263,000
Pledges receivable, net	—	8,363,000	8,363,000
Prepaid expenses and other assets	2,351,000	5,692,000	8,043,000
Total current assets	<u>275,908,000</u>	<u>113,129,000</u>	<u>389,037,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	124,000	124,000
Accounts receivable, net	5,321,000	1,893,000	7,214,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	12,977,000	12,977,000
Student loans receivable, net	7,247,000	—	7,247,000
Pledges receivable, net	—	10,128,000	10,128,000
Endowment investments	—	201,131,000	201,131,000
Other long-term investments	43,599,000	52,910,000	96,509,000
Capital assets, net	573,311,000	147,081,000	720,392,000
Other assets	4,370,000	7,568,000	11,938,000
Total noncurrent assets	<u>633,848,000</u>	<u>433,812,000</u>	<u>1,067,660,000</u>
Total assets	<u>909,756,000</u>	<u>546,941,000</u>	<u>1,456,697,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>3,468,000</u>	<u>634,000</u>	<u>4,102,000</u>
Liabilities			
Current liabilities:			
Accounts payable	20,255,000	8,542,000	28,797,000
Accrued salaries and benefits	21,149,000	4,695,000	25,844,000
Accrued compensated absences, current portion	6,585,000	3,556,000	10,141,000
Unearned revenue	17,954,000	5,370,000	23,324,000
Capitalized lease obligations, current portion	1,378,000	47,000	1,425,000
Long-term debt obligations, current portion	46,091,000	2,606,000	48,697,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	3,000	—	3,000
Other liabilities	7,810,000	34,547,000	42,357,000
Total current liabilities	<u>121,225,000</u>	<u>59,363,000</u>	<u>180,588,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	11,257,000	—	11,257,000
Unearned revenue	—	—	—
Grants refundable	7,565,000	—	7,565,000
Capitalized lease obligations, net of current portion	30,407,000	34,000	30,441,000
Long-term debt obligations, net of current portion	210,572,000	109,154,000	319,726,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	1,902,000	1,902,000
Depository accounts	14,000	124,000	138,000
Other postemployment benefits obligation	6,059,000	14,086,000	20,145,000
Other liabilities	1,744,000	7,652,000	9,396,000
Total noncurrent liabilities	<u>267,618,000</u>	<u>132,952,000</u>	<u>400,570,000</u>
Total liabilities	<u>388,843,000</u>	<u>192,315,000</u>	<u>581,158,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	318,270,000	35,946,000	354,216,000
Restricted for:			
Nonexpendable – endowments	—	115,588,000	115,588,000
Expendable:			
Scholarships and fellowships	—	35,066,000	35,066,000
Research	—	11,585,000	11,585,000
Loans	91,000	—	91,000
Capital projects	3,126,000	8,824,000	11,950,000
Debt service	—	—	—
Other	—	91,372,000	91,372,000
Unrestricted	<u>202,894,000</u>	<u>56,879,000</u>	<u>259,773,000</u>
Total net position	<u>\$ 524,381,000</u>	<u>355,260,000</u>	<u>879,641,000</u>

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$78,404,000)	\$ 196,303,000	37,264,000	—	233,567,000
Grants and contracts, noncapital:				
Federal	361,000	80,071,000	—	80,432,000
State	895,000	9,723,000	—	10,618,000
Local	—	2,124,000	—	2,124,000
Nongovernmental	250,000	14,934,000	—	15,184,000
Sales and services of educational activities	20,521,000	4,270,000	—	24,791,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$10,054,000)	32,441,000	72,109,000	—	104,550,000
Other operating revenues	15,941,000	18,556,000	—	34,497,000
Total operating revenues	<u>266,712,000</u>	<u>239,051,000</u>	<u>—</u>	<u>505,763,000</u>
Expenses:				
Operating expenses:				
Instruction	159,600,000	32,438,000	—	192,038,000
Research	2,322,000	50,541,000	—	52,863,000
Public service	3,981,000	40,945,000	(2,361,000)	42,565,000
Academic support	47,266,000	14,364,000	(1,095,000)	60,535,000
Student services	73,646,000	3,414,000	(2,091,000)	74,969,000
Institutional support	32,095,000	19,566,000	—	51,661,000
Operation and maintenance of plant	47,587,000	6,786,000	—	54,373,000
Student grants and scholarships	67,338,000	7,838,000	(7,716,000)	67,460,000
Auxiliary enterprise expenses	30,372,000	71,662,000	—	102,034,000
Depreciation and amortization	30,895,000	8,590,000	—	39,485,000
Total operating expenses	<u>495,102,000</u>	<u>256,144,000</u>	<u>(13,263,000)</u>	<u>737,983,000</u>
Operating loss	<u>(228,390,000)</u>	<u>(17,093,000)</u>	<u>13,263,000</u>	<u>(232,220,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	148,448,000	—	—	148,448,000
Federal financial aid grants, noncapital	50,988,000	—	—	50,988,000
State financial aid grants, noncapital	32,359,000	—	—	32,359,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7,716,000	—	(7,716,000)	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	9,489,000	40,993,000	(9,455,000)	41,027,000
Investment income, net	2,140,000	3,847,000	—	5,987,000
Endowment income, net	—	24,631,000	—	24,631,000
Interest expense	(7,711,000)	(4,187,000)	—	(11,898,000)
Other nonoperating revenues (expenses)	3,332,000	(7,236,000)	5,568,000	1,664,000
Net nonoperating revenues	<u>246,761,000</u>	<u>58,048,000</u>	<u>(11,603,000)</u>	<u>293,206,000</u>
Income before other revenues and expenses	18,371,000	40,955,000	1,660,000	60,986,000
State appropriations, capital	255,000	—	—	255,000
Grants and gifts, capital	1,786,000	387,000	(1,660,000)	513,000
Additions to permanent endowments	—	8,079,000	—	8,079,000
Increase in net position	<u>20,412,000</u>	<u>49,421,000</u>	<u>—</u>	<u>69,833,000</u>
Net position:				
Net position at beginning of year, as previously reported	503,969,000	305,839,000	—	809,808,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>503,969,000</u>	<u>305,839,000</u>	<u>—</u>	<u>809,808,000</u>
Net position at end of year	<u>\$ 524,381,000</u>	<u>355,260,000</u>	<u>—</u>	<u>879,641,000</u>

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 197,351,000
Federal grants and contracts	366,000
State grants and contracts	895,000
Local grants and contracts	—
Nongovernmental grants and contracts	250,000
Payments to suppliers	(107,993,000)
Payments to employees	(288,016,000)
Payments to students	(67,338,000)
Collections of student loans	—
Sales and services of educational activities	18,447,000
Sales and services of auxiliary enterprises	32,527,000
Other receipts	15,752,000
	<u>(197,759,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	148,448,000
Federal financial aid grants	50,988,000
State financial aid grants	32,359,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	7,716,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	9,489,000
Federal loan program receipts	112,677,000
Federal loan program disbursements	(112,848,000)
Monies received on behalf of others	16,672,000
Monies disbursed on behalf of others	(22,398,000)
Other noncapital financing activities	4,235,000
	<u>247,338,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	55,411,000
State appropriations	1,814,000
State appropriations – SPWB Lease Revenue Bonds program	20,426,000
Capital grants and gifts	847,000
Proceeds from sale of capital assets	82,000
Acquisition of capital assets	(106,975,000)
Issuance of notes receivable	—
Transfers to escrow agent	(16,401,000)
Principal paid on capital debt and leases	(8,707,000)
Interest paid on capital debt and leases	(11,496,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(64,999,000)</u>

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 644,727,000
Purchases of investments	(630,911,000)
Investment income proceeds	<u>1,606,000</u>
Net cash provided by investing activities	<u>15,422,000</u>
Net decrease in cash and cash equivalents	2,000
Cash and cash equivalents at beginning of year	<u>21,000</u>
Cash and cash equivalents at end of year	<u>\$ 23,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 23,000
Restricted cash and cash equivalents	<u>—</u>
Total cash and cash equivalents at end of year	<u>\$ 23,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (228,390,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	30,895,000
Change in assets and liabilities:	
Accounts receivable, net	(1,268,000)
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	(535,000)
Accounts payable	(6,376,000)
Accrued salaries and benefits	105,000
Accrued compensated absences	1,118,000
Unearned revenue	2,495,000
Depository accounts	186,000
Other postemployment benefits obligation	974,000
Other liabilities	<u>3,037,000</u>
Net cash used in operating activities	<u>\$ (197,759,000)</u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 940,000
Capital assets paid by the Office of the Chancellor	752,000
Amortization of net bond premium	721,000
Amortization of loss on debt refundings	259,000
Change in accrued capital asset purchases	(7,620,000)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,183,000
Payments from discretely presented component units for other than salaries	8,874,000
Payments to discretely presented component units for services, space, and programs	13,581,000
Gifts in kind from discretely presented component units	940,000
Gifts (cash or assets) from discretely presented component units	17,995,000
Accounts receivable from discretely presented component units	1,761,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,541,000)
Other amounts payable to discretely presented component units	(1,670,000)
Payments to the Office of the Chancellor for administrative activities	269,000
Payments to the Office of the Chancellor for state pro rata charges	754,000
Accounts receivable from the Office of the Chancellor	48,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	1,000
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	2,474,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 11,000	1,288,000	1,299,000
Short-term investments	168,740,000	23,539,000	192,279,000
Accounts receivable, net	8,145,000	3,475,000	11,620,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	29,000	29,000
Pledges receivable, net	—	288,000	288,000
Prepaid expenses and other assets	2,727,000	60,000	2,787,000
Total current assets	<u>179,623,000</u>	<u>28,679,000</u>	<u>208,302,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	220,000	—	220,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	8,725,000	—	8,725,000
Pledges receivable, net	—	386,000	386,000
Endowment investments	2,692,000	45,297,000	47,989,000
Other long-term investments	11,789,000	33,894,000	45,683,000
Capital assets, net	525,480,000	1,853,000	527,333,000
Other assets	417,000	155,000	572,000
Total noncurrent assets	<u>549,323,000</u>	<u>81,585,000</u>	<u>630,908,000</u>
Total assets	<u>728,946,000</u>	<u>110,264,000</u>	<u>839,210,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>3,738,000</u>	<u>—</u>	<u>3,738,000</u>
Liabilities			
Current liabilities:			
Accounts payable	7,185,000	1,153,000	8,338,000
Accrued salaries and benefits	21,966,000	195,000	22,161,000
Accrued compensated absences, current portion	10,728,000	56,000	10,784,000
Unearned revenue	20,482,000	318,000	20,800,000
Capitalized lease obligations, current portion	220,000	—	220,000
Long-term debt obligations, current portion	6,985,000	—	6,985,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	2,803,000	—	2,803,000
Other liabilities	6,234,000	2,250,000	8,484,000
Total current liabilities	<u>76,603,000</u>	<u>3,972,000</u>	<u>80,575,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,432,000	186,000	6,618,000
Unearned revenue	—	152,000	152,000
Grants refundable	8,880,000	—	8,880,000
Capitalized lease obligations, net of current portion	462,000	—	462,000
Long-term debt obligations, net of current portion	231,905,000	—	231,905,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	12,546,000	—	12,546,000
Other liabilities	1,913,000	1,367,000	3,280,000
Total noncurrent liabilities	<u>262,138,000</u>	<u>1,705,000</u>	<u>263,843,000</u>
Total liabilities	<u>338,741,000</u>	<u>5,677,000</u>	<u>344,418,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>240,000</u>	<u>240,000</u>
Net Position			
Net position:			
Net investment in capital assets	289,645,000	1,853,000	291,498,000
Restricted for:			
Nonexpendable – endowments	2,692,000	45,297,000	47,989,000
Expendable:			
Scholarships and fellowships	—	27,102,000	27,102,000
Research	—	—	—
Loans	489,000	—	489,000
Capital projects	83,000	7,028,000	7,111,000
Debt service	—	—	—
Other	—	132,000	132,000
Unrestricted	<u>101,034,000</u>	<u>22,935,000</u>	<u>123,969,000</u>
Total net position	<u>\$ 393,943,000</u>	<u>104,347,000</u>	<u>498,290,000</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$64,738,000)	\$ 154,115,000	6,324,000	—	160,439,000
Grants and contracts, noncapital:				
Federal	21,351,000	81,000	—	21,432,000
State	1,915,000	541,000	—	2,456,000
Local	2,274,000	23,000	—	2,297,000
Nongovernmental	2,148,000	1,059,000	—	3,207,000
Sales and services of educational activities	698,000	—	—	698,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	46,132,000	8,113,000	—	54,245,000
Other operating revenues	7,810,000	2,916,000	—	10,726,000
Total operating revenues	<u>236,443,000</u>	<u>19,057,000</u>	<u>—</u>	<u>255,500,000</u>
Expenses:				
Operating expenses:				
Instruction	163,134,000	361,000	—	163,495,000
Research	16,434,000	419,000	—	16,853,000
Public service	4,182,000	1,404,000	—	5,586,000
Academic support	42,661,000	2,132,000	—	44,793,000
Student services	32,681,000	5,699,000	—	38,380,000
Institutional support	39,671,000	2,442,000	—	42,113,000
Operation and maintenance of plant	40,727,000	—	—	40,727,000
Student grants and scholarships	62,286,000	1,505,000	(1,173,000)	62,618,000
Auxiliary enterprise expenses	34,719,000	7,223,000	—	41,942,000
Depreciation and amortization	28,622,000	814,000	—	29,436,000
Total operating expenses	<u>465,117,000</u>	<u>21,999,000</u>	<u>(1,173,000)</u>	<u>485,943,000</u>
Operating loss	<u>(228,674,000)</u>	<u>(2,942,000)</u>	<u>1,173,000</u>	<u>(230,443,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	126,358,000	—	—	126,358,000
Federal financial aid grants, noncapital	52,872,000	—	—	52,872,000
State financial aid grants, noncapital	27,313,000	—	—	27,313,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,439,000	4,663,000	(1,173,000)	4,929,000
Investment income, net	1,559,000	11,473,000	—	13,032,000
Endowment income, net	5,000	—	—	5,000
Interest expense	(10,630,000)	—	—	(10,630,000)
Other nonoperating revenues (expenses)	3,040,000	(1,263,000)	—	1,777,000
Net nonoperating revenues	<u>201,956,000</u>	<u>14,873,000</u>	<u>(1,173,000)</u>	<u>215,656,000</u>
Income (loss) before other revenues and expenses	<u>(26,718,000)</u>	<u>11,931,000</u>	<u>—</u>	<u>(14,787,000)</u>
State appropriations, capital	(1,000)	—	—	(1,000)
Grants and gifts, capital	426,000	—	—	426,000
Additions to permanent endowments	—	700,000	—	700,000
Increase (decrease) in net position	<u>(26,293,000)</u>	<u>12,631,000</u>	<u>—</u>	<u>(13,662,000)</u>
Net position:				
Net position at beginning of year, as previously reported	420,236,000	91,716,000	—	511,952,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>420,236,000</u>	<u>91,716,000</u>	<u>—</u>	<u>511,952,000</u>
Net position at end of year	<u>\$ 393,943,000</u>	<u>104,347,000</u>	<u>—</u>	<u>498,290,000</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 148,809,000
Federal grants and contracts	22,494,000
State grants and contracts	2,170,000
Local grants and contracts	2,174,000
Nongovernmental grants and contracts	2,213,000
Payments to suppliers	(85,840,000)
Payments to employees	(283,524,000)
Payments to students	(62,289,000)
Collections of student loans	20,000
Sales and services of educational activities	698,000
Sales and services of auxiliary enterprises	45,598,000
Other receipts	7,456,000
	<u>(200,021,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	126,358,000
Federal financial aid grants	52,872,000
State financial aid grants	27,313,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,439,000
Federal loan program receipts	111,123,000
Federal loan program disbursements	(111,518,000)
Monies received on behalf of others	5,382,000
Monies disbursed on behalf of others	(5,634,000)
Other noncapital financing activities	3,797,000
	<u>211,132,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	61,529,000
State appropriations	497,000
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(7,016,000)
Issuance of notes receivable	—
Transfers to escrow agent	(61,218,000)
Principal paid on capital debt and leases	(6,693,000)
Interest paid on capital debt and leases	(10,490,000)
	<u>(23,391,000)</u>

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 648,210,000
Purchases of investments	(637,086,000)
Investment income proceeds	<u>1,156,000</u>
Net cash provided by investing activities	<u>12,280,000</u>
Net increase in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	<u>11,000</u>
Cash and cash equivalents at end of year	<u>\$ 11,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ —
Restricted cash and cash equivalents	<u>11,000</u>
Total cash and cash equivalents at end of year	<u>\$ 11,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (228,674,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	28,622,000
Change in assets and liabilities:	
Accounts receivable, net	40,000
Notes receivable	—
Student loans receivable, net	17,000
Pledges receivable, net	—
Prepaid expenses and other assets	(98,000)
Accounts payable	(1,138,000)
Accrued salaries and benefits	1,307,000
Accrued compensated absences	291,000
Unearned revenue	(5,810,000)
Depository accounts	—
Other postemployment benefits obligation	2,576,000
Other liabilities	<u>2,846,000</u>
Net cash used in operating activities	<u>\$ (200,021,000)</u>
Supplemental schedule of noncash transactions:	
Amortization of net bond premium	\$ 2,178,000
Loss on retirement of capital assets	800,000
Contributed capital assets	426,000
Amortization of loss on debt refundings	291,000
Acquisition of capital assets through capitalized lease	60,000
Change in accrued capital asset purchases	(338,000)

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 264,000
Payments from discretely presented component units for other than salaries	3,079,000
Payments to discretely presented component units for services, space, and programs	7,367,000
Gifts in kind from discretely presented component units	1,237,000
Gifts (cash or assets) from discretely presented component units	27,000
Accounts receivable from discretely presented component units	993,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(104,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	226,000
Payments to the Office of the Chancellor for state pro rata charges	1,765,000
Accounts receivable from the Office of the Chancellor	333,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	63,000
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	2,115,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 24,000	38,890,000	38,914,000
Short-term investments	204,487,000	31,169,000	235,656,000
Accounts receivable, net	7,161,000	8,603,000	15,764,000
Leases receivable, current portion	166,000	62,000	228,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,456,000	2,456,000
Prepaid expenses and other assets	2,639,000	1,626,000	4,265,000
Total current assets	<u>214,477,000</u>	<u>82,806,000</u>	<u>297,283,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	484,000	484,000
Accounts receivable, net	30,255,000	—	30,255,000
Leases receivable, net of current portion	478,000	—	478,000
Notes receivable, net of current portion	—	4,206,000	4,206,000
Student loans receivable, net	7,093,000	—	7,093,000
Pledges receivable, net	—	9,021,000	9,021,000
Endowment investments	1,586,000	117,257,000	118,843,000
Other long-term investments	40,719,000	5,359,000	46,078,000
Capital assets, net	469,886,000	20,297,000	490,183,000
Other assets	2,880,000	9,802,000	12,682,000
Total noncurrent assets	<u>552,897,000</u>	<u>166,426,000</u>	<u>719,323,000</u>
Total assets	<u>767,374,000</u>	<u>249,232,000</u>	<u>1,016,606,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>8,028,000</u>	<u>—</u>	<u>8,028,000</u>
Liabilities			
Current liabilities:			
Accounts payable	22,068,000	5,069,000	27,137,000
Accrued salaries and benefits	19,668,000	2,618,000	22,286,000
Accrued compensated absences, current portion	5,557,000	1,907,000	7,464,000
Unearned revenue	29,512,000	8,957,000	38,469,000
Capitalized lease obligations, current portion	166,000	166,000	332,000
Long-term debt obligations, current portion	34,206,000	129,000	34,335,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	477,000	—	477,000
Other liabilities	4,586,000	2,428,000	7,014,000
Total current liabilities	<u>116,240,000</u>	<u>21,274,000</u>	<u>137,514,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	7,996,000	234,000	8,230,000
Unearned revenue	7,050,000	1,071,000	8,121,000
Grants refundable	10,290,000	—	10,290,000
Capitalized lease obligations, net of current portion	478,000	478,000	956,000
Long-term debt obligations, net of current portion	307,320,000	2,312,000	309,632,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	541,000	541,000
Other postemployment benefits obligation	12,438,000	15,703,000	28,141,000
Other liabilities	394,000	612,000	1,006,000
Total noncurrent liabilities	<u>345,966,000</u>	<u>20,951,000</u>	<u>366,917,000</u>
Total liabilities	<u>462,206,000</u>	<u>42,225,000</u>	<u>504,431,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	143,030,000	17,212,000	160,242,000
Restricted for:			
Nonexpendable – endowments	1,586,000	89,462,000	91,048,000
Expendable:			
Scholarships and fellowships	2,637,000	1,816,000	4,453,000
Research	—	38,000	38,000
Loans	5,357,000	—	5,357,000
Capital projects	39,185,000	—	39,185,000
Debt service	—	—	—
Other	—	68,854,000	68,854,000
Unrestricted	121,401,000	29,625,000	151,026,000
Total net position	<u>\$ 313,196,000</u>	<u>207,007,000</u>	<u>520,203,000</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$72,211,000)	\$ 188,919,000	16,296,000	—	205,215,000
Grants and contracts, noncapital:				
Federal	—	24,885,000	—	24,885,000
State	—	11,402,000	—	11,402,000
Local	—	3,928,000	—	3,928,000
Nongovernmental	—	3,589,000	—	3,589,000
Sales and services of educational activities	7,593,000	—	—	7,593,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$5,255,000)	32,440,000	23,411,000	—	55,851,000
Other operating revenues	13,941,000	17,452,000	—	31,393,000
Total operating revenues	<u>242,893,000</u>	<u>100,963,000</u>	<u>—</u>	<u>343,856,000</u>
Expenses:				
Operating expenses:				
Instruction	161,959,000	17,309,000	(78,000)	179,190,000
Research	—	34,807,000	(726,000)	34,081,000
Public service	1,624,000	430,000	—	2,054,000
Academic support	30,961,000	11,064,000	—	42,025,000
Student services	54,346,000	15,382,000	—	69,728,000
Institutional support	25,947,000	8,367,000	—	34,314,000
Operation and maintenance of plant	41,720,000	1,365,000	—	43,085,000
Student grants and scholarships	36,989,000	5,010,000	(3,316,000)	38,683,000
Auxiliary enterprise expenses	20,137,000	24,945,000	—	45,082,000
Depreciation and amortization	23,278,000	1,573,000	—	24,851,000
Total operating expenses	<u>396,961,000</u>	<u>120,252,000</u>	<u>(4,120,000)</u>	<u>513,093,000</u>
Operating loss	<u>(154,068,000)</u>	<u>(19,289,000)</u>	<u>4,120,000</u>	<u>(169,237,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	116,082,000	—	—	116,082,000
Federal financial aid grants, noncapital	49,590,000	1,198,000	—	50,788,000
State financial aid grants, noncapital	30,768,000	1,310,000	—	32,078,000
Local financial aid grants, noncapital	—	269,000	—	269,000
Nongovernmental and other financial aid grants, noncapital	1,000	140,000	—	141,000
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	2,078,000	11,475,000	(3,402,000)	10,151,000
Investment income, net	1,609,000	3,500,000	—	5,109,000
Endowment income, net	6,000	16,849,000	—	16,855,000
Interest expense	(12,689,000)	(140,000)	—	(12,829,000)
Other nonoperating revenues (expenses)	4,396,000	(59,000)	—	4,337,000
Net nonoperating revenues	<u>191,841,000</u>	<u>34,542,000</u>	<u>(3,402,000)</u>	<u>222,981,000</u>
Income before other revenues and expenses	37,773,000	15,253,000	718,000	53,744,000
State appropriations, capital	55,725,000	—	—	55,725,000
Grants and gifts, capital	827,000	—	(718,000)	109,000
Additions to permanent endowments	—	6,367,000	—	6,367,000
Increase in net position	<u>94,325,000</u>	<u>21,620,000</u>	<u>—</u>	<u>115,945,000</u>
Net position:				
Net position at beginning of year, as previously reported	218,871,000	186,507,000	—	405,378,000
Restatements	—	(1,120,000)	—	(1,120,000)
Net position at beginning of year, as restated	<u>218,871,000</u>	<u>185,387,000</u>	<u>—</u>	<u>404,258,000</u>
Net position at end of year	<u>\$ 313,196,000</u>	<u>207,007,000</u>	<u>—</u>	<u>520,203,000</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 196,086,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(78,002,000)
Payments to employees	(259,065,000)
Payments to students	(37,006,000)
Collections of student loans	25,000
Sales and services of educational activities	7,593,000
Sales and services of auxiliary enterprises	32,113,000
Other receipts	11,516,000
	<u>(126,740,000)</u>
Net cash used in operating activities	
Cash flows from noncapital financing activities:	
State appropriations	116,082,000
Federal financial aid grants	51,598,000
State financial aid grants	30,768,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	1,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	2,151,000
Federal loan program receipts	95,029,000
Federal loan program disbursements	(95,625,000)
Monies received on behalf of others	15,137,000
Monies disbursed on behalf of others	(15,810,000)
Other noncapital financing activities	5,121,000
	<u>204,452,000</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from capital debt	25,863,000
State appropriations	198,000
State appropriations – SPWB Lease Revenue Bonds program	25,447,000
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(59,600,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(8,852,000)
Interest paid on capital debt and leases	(17,174,000)
Principal collection on capital leases	161,000
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(33,957,000)</u>
Net cash used in capital and related financing activities	

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 590,325,000
Purchases of investments	(635,065,000)
Investment income proceeds	(18,000)
	<u>(44,758,000)</u>
Net cash provided by investing activities	(44,758,000)
Net decrease in cash and cash equivalents	(1,003,000)
Cash and cash equivalents at beginning of year	1,027,000
Cash and cash equivalents at end of year	\$ <u>24,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 24,000
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ <u>24,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (154,068,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	23,278,000
Change in assets and liabilities:	
Accounts receivable, net	(2,374,000)
Notes receivables	—
Student loans receivable, net	(9,000)
Pledges receivable, net	—
Prepaid expenses and other assets	(415,000)
Accounts payable	(3,256,000)
Accrued salaries and benefits	(71,000)
Accrued compensated absences	862,000
Unearned revenue	6,330,000
Depository accounts	—
Other postemployment benefits obligation	2,508,000
Other liabilities	475,000
Net cash used in operating activities	\$ <u>(126,740,000)</u>
Supplemental schedule of noncash transactions:	
Change in accrued capital asset purchases	\$ 9,102,000
Amortization of net bond premium	1,699,000
Contributed capital assets	827,000
Amortization of loss on debt refundings	636,000
Prepaid expenses paid through long-term debt obligation	261,000

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,779,000
Payments from discretely presented component units for other than salaries	4,186,000
Payments to discretely presented component units for services, space, and programs	13,900,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	4,120,000
Accounts receivable from discretely presented component units	3,166,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(182,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,447,000
Payments to the Office of the Chancellor for state pro rata charges	1,676,000
Accounts receivable from the Office of the Chancellor	104,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	2,060,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 17,000	26,574,000	26,591,000
Short-term investments	116,062,000	84,356,000	200,418,000
Accounts receivable, net	3,841,000	7,367,000	11,208,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	5,401,000	5,401,000
Prepaid expenses and other assets	3,764,000	4,502,000	8,266,000
Total current assets	<u>123,684,000</u>	<u>128,200,000</u>	<u>251,884,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	787,000	787,000
Accounts receivable, net	23,000	20,000	43,000
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	4,514,000	—	4,514,000
Pledges receivable, net	—	19,682,000	19,682,000
Endowment investments	3,544,000	203,416,000	206,960,000
Other long-term investments	59,092,000	32,870,000	91,962,000
Capital assets, net	755,544,000	23,199,000	778,743,000
Other assets	—	4,769,000	4,769,000
Total noncurrent assets	<u>822,717,000</u>	<u>284,743,000</u>	<u>1,107,460,000</u>
Total assets	<u>946,401,000</u>	<u>412,943,000</u>	<u>1,359,344,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>6,884,000</u>	<u>—</u>	<u>6,884,000</u>
Liabilities			
Current liabilities:			
Accounts payable	6,675,000	3,779,000	10,454,000
Accrued salaries and benefits	16,573,000	758,000	17,331,000
Accrued compensated absences, current portion	6,169,000	958,000	7,127,000
Unearned revenue	14,987,000	6,339,000	21,326,000
Capitalized lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	6,590,000	65,000	6,655,000
Claims liability for losses and loss adjustment expenses, current portion	—	15,000	15,000
Depository accounts, current portion	670,000	1,146,000	1,816,000
Other liabilities	4,793,000	—	4,793,000
Total current liabilities	<u>56,457,000</u>	<u>13,060,000</u>	<u>69,517,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,028,000	45,000	6,073,000
Unearned revenue	—	—	—
Grants refundable	5,990,000	4,996,000	10,986,000
Capitalized lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	435,765,000	2,560,000	438,325,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	6,745,000	6,745,000
Other postemployment benefits obligation	10,003,000	314,000	10,317,000
Other liabilities	120,000	9,792,000	9,912,000
Total noncurrent liabilities	<u>457,906,000</u>	<u>24,452,000</u>	<u>482,358,000</u>
Total liabilities	<u>514,363,000</u>	<u>37,512,000</u>	<u>551,875,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	320,740,000	20,573,000	341,313,000
Restricted for:			
Nonexpendable – endowments	3,544,000	109,068,000	112,612,000
Expendable:			
Scholarships and fellowships	4,684,000	21,681,000	26,365,000
Research	—	9,628,000	9,628,000
Loans	3,244,000	—	3,244,000
Capital projects	792,000	13,560,000	14,352,000
Debt service	—	—	—
Other	199,000	112,691,000	112,890,000
Unrestricted	105,719,000	88,230,000	193,949,000
Total net position	<u>\$ 438,922,000</u>	<u>375,431,000</u>	<u>814,353,000</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, 2014

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$41,198,000)	\$ 151,929,000	5,710,000	—	157,639,000
Grants and contracts, noncapital:				
Federal	—	11,618,000	—	11,618,000
State	—	3,162,000	—	3,162,000
Local	—	226,000	—	226,000
Nongovernmental	—	3,948,000	—	3,948,000
Sales and services of educational activities	2,465,000	—	—	2,465,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,406,000)	48,442,000	48,438,000	(80,000)	96,800,000
Other operating revenues	16,507,000	26,857,000	(973,000)	42,391,000
Total operating revenues	219,343,000	99,959,000	(1,053,000)	318,249,000
Expenses:				
Operating expenses:				
Instruction	132,822,000	2,090,000	(1,145,000)	133,767,000
Research	2,070,000	15,039,000	—	17,109,000
Public service	553,000	10,340,000	—	10,893,000
Academic support	34,435,000	7,663,000	(37,000)	42,061,000
Student services	49,520,000	15,198,000	(7,585,000)	57,133,000
Institutional support	32,060,000	19,127,000	(126,000)	51,061,000
Operation and maintenance of plant	31,635,000	5,827,000	(62,000)	37,400,000
Student grants and scholarships	18,206,000	2,739,000	—	20,945,000
Auxiliary enterprise expenses	29,701,000	40,974,000	(253,000)	70,422,000
Depreciation and amortization	37,952,000	2,194,000	—	40,146,000
Total operating expenses	368,954,000	121,191,000	(9,208,000)	480,937,000
Operating loss	(149,611,000)	(21,232,000)	8,155,000	(162,688,000)
Nonoperating revenues (expenses):				
State appropriations, noncapital	102,184,000	—	—	102,184,000
Federal financial aid grants, noncapital	17,791,000	—	—	17,791,000
State financial aid grants, noncapital	14,879,000	—	—	14,879,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	9,167,000	—	—	9,167,000
Other federal nonoperating grants, noncapital	1,106,000	—	—	1,106,000
Gifts, noncapital	7,285,000	16,236,000	(7,910,000)	15,611,000
Investment income, net	1,468,000	8,496,000	—	9,964,000
Endowment income, net	25,000	28,351,000	—	28,376,000
Interest expense	(20,261,000)	(143,000)	—	(20,404,000)
Other nonoperating revenues	1,990,000	556,000	—	2,546,000
Net nonoperating revenues	135,634,000	53,496,000	(7,910,000)	181,220,000
Income (loss) before other revenues and expenses	(13,977,000)	32,264,000	245,000	18,532,000
State appropriations, capital	42,000	—	—	42,000
Grants and gifts, capital	13,709,000	3,590,000	(245,000)	17,054,000
Additions to permanent endowments	18,000	3,371,000	—	3,389,000
Increase (decrease) in net position	(208,000)	39,225,000	—	39,017,000
Net position:				
Net position at beginning of year, as previously reported	439,130,000	336,206,000	—	775,336,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	439,130,000	336,206,000	—	775,336,000
Net position at end of year	\$ 438,922,000	375,431,000	—	814,353,000

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 150,958,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(82,732,000)
Payments to employees	(227,054,000)
Payments to students	(18,473,000)
Collections of student loans	74,000
Sales and services of educational activities	2,465,000
Sales and services of auxiliary enterprises	49,443,000
Other receipts	15,340,000
	<u>(109,979,000)</u>
Net cash used in operating activities	
Cash flows from noncapital financing activities:	
State appropriations	102,184,000
Federal financial aid grants	17,725,000
State financial aid grants	14,879,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	9,167,000
Other federal nonoperating grants	1,106,000
Gifts and grants received for other than capital purposes	7,292,000
Federal loan program receipts	76,414,000
Federal loan program disbursements	(75,915,000)
Monies received on behalf of others	9,132,000
Monies disbursed on behalf of others	(9,939,000)
Other noncapital financing activities	6,779,000
	<u>158,824,000</u>
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from capital debt	103,440,000
State appropriations	19,000
State appropriations – SPWB Lease Revenue Bonds program	7,934,000
Capital grants and gifts	11,816,000
Proceeds from sale of capital assets	49,000
Acquisition of capital assets	(37,305,000)
Issuance of notes receivable	—
Transfers to escrow agent	(102,927,000)
Principal paid on capital debt and leases	(5,475,000)
Interest paid on capital debt and leases	(20,518,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(42,967,000)</u>
Net cash used in capital and related financing activities	

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 492,020,000
Purchases of investments	(498,985,000)
Investment income proceeds	1,088,000
	<u>(5,877,000)</u>
Net cash provided by investing activities	1,000
Net increase in cash and cash equivalents	16,000
Cash and cash equivalents at beginning of year	<u>16,000</u>
Cash and cash equivalents at end of year	<u>\$ 17,000</u>
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	<u>\$ 17,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (149,611,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	37,952,000
Change in assets and liabilities:	
Accounts receivable, net	443,000
Notes receivables	—
Student loans receivable, net	(193,000)
Pledges receivable, net	(692,000)
Prepaid expenses and other assets	361,000
Accounts payable	738,000
Accrued salaries and benefits	733,000
Accrued compensated absences	(1,246,000)
Unearned revenue	—
Depository accounts	—
Other postemployment benefits obligation	1,911,000
Other liabilities	(375,000)
Net cash used in operating activities	<u>\$ (109,979,000)</u>
Supplemental schedule of noncash transactions:	
Amortization of net bond premium	\$ 1,879,000
Contributed capital assets	1,808,000
Amortization of loss on debt refundings	554,000
Capital assets paid by the Office of the Chancellor	84,000
Change in accrued capital asset purchases	(5,846,000)

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,440,000
Payments from discretely presented component units for other than salaries	7,767,000
Payments to discretely presented component units for services, space, and programs	4,708,000
Gifts in kind from discretely presented component units	1,256,000
Gifts (cash or assets) from discretely presented component units	11,825,000
Accounts receivable from discretely presented component units	1,255,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,001,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	217,000
Payments to the Office of the Chancellor for state pro rata charges	1,323,000
Accounts receivable from the Office of the Chancellor	6,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	1,539,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 7,000	6,930,000	6,937,000
Short-term investments	39,721,000	7,364,000	47,085,000
Accounts receivable, net	2,973,000	10,341,000	13,314,000
Leases receivable, current portion	705,000	—	705,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,091,000	1,091,000
Prepaid expenses and other assets	1,549,000	70,000	1,619,000
Total current assets	<u>44,955,000</u>	<u>25,796,000</u>	<u>70,751,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	31,000	—	31,000
Leases receivable, net of current portion	20,545,000	—	20,545,000
Notes receivable, net of current portion	—	1,489,000	1,489,000
Student loans receivable, net	266,000	389,000	655,000
Pledges receivable, net	—	1,785,000	1,785,000
Endowment investments	—	21,767,000	21,767,000
Other long-term investments	7,614,000	3,920,000	11,534,000
Capital assets, net	255,129,000	25,843,000	280,972,000
Other assets	2,000	64,000	66,000
Total noncurrent assets	<u>283,587,000</u>	<u>55,257,000</u>	<u>338,844,000</u>
Total assets	<u>328,542,000</u>	<u>81,053,000</u>	<u>409,595,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>135,000</u>	<u>—</u>	<u>135,000</u>
Liabilities			
Current liabilities:			
Accounts payable	5,964,000	9,573,000	15,537,000
Accrued salaries and benefits	8,667,000	409,000	9,076,000
Accrued compensated absences, current portion	3,424,000	273,000	3,697,000
Unearned revenue	7,502,000	1,314,000	8,816,000
Capitalized lease obligations, current portion	1,267,000	748,000	2,015,000
Long-term debt obligations, current portion	8,345,000	—	8,345,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	2,000	—	2,000
Other liabilities	1,809,000	408,000	2,217,000
Total current liabilities	<u>36,980,000</u>	<u>12,725,000</u>	<u>49,705,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,398,000	—	2,398,000
Unearned revenue	—	1,326,000	1,326,000
Grants refundable	403,000	—	403,000
Capitalized lease obligations, net of current portion	1,075,000	21,036,000	22,111,000
Long-term debt obligations, net of current portion	104,087,000	—	104,087,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	819,000	—	819,000
Other postemployment benefits obligation	3,653,000	1,683,000	5,336,000
Other liabilities	—	—	—
Total noncurrent liabilities	<u>112,435,000</u>	<u>24,045,000</u>	<u>136,480,000</u>
Total liabilities	<u>149,415,000</u>	<u>36,770,000</u>	<u>186,185,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>629,000</u>	<u>629,000</u>
Net Position			
Net position:			
Net investment in capital assets	164,464,000	3,430,000	167,894,000
Restricted for:			
Nonexpendable – endowments	—	19,144,000	19,144,000
Expendable:			
Scholarships and fellowships	159,000	2,946,000	3,105,000
Research	—	—	—
Loans	39,000	—	39,000
Capital projects	1,764,000	49,000	1,813,000
Debt service	—	—	—
Other	51,000	5,239,000	5,290,000
Unrestricted	12,785,000	12,846,000	25,631,000
Total net position	<u>\$ 179,262,000</u>	<u>43,654,000</u>	<u>222,916,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$27,368,000)	\$ 65,982,000	4,528,000	—	70,510,000
Grants and contracts, noncapital:				
Federal	—	6,091,000	—	6,091,000
State	—	738,000	—	738,000
Local	—	115,000	—	115,000
Nongovernmental	—	499,000	—	499,000
Sales and services of educational activities	35,000	2,871,000	—	2,906,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$0)	6,082,000	8,804,000	—	14,886,000
Other operating revenues	5,332,000	—	—	5,332,000
Total operating revenues	<u>77,431,000</u>	<u>23,646,000</u>	<u>—</u>	<u>101,077,000</u>
Expenses:				
Operating expenses:				
Instruction	58,734,000	2,778,000	(152,000)	61,360,000
Research	590,000	3,798,000	—	4,388,000
Public service	193,000	462,000	(69,000)	586,000
Academic support	21,930,000	1,103,000	(39,000)	22,994,000
Student services	15,566,000	4,669,000	(128,000)	20,107,000
Institutional support	20,981,000	4,989,000	(15,000)	25,955,000
Operation and maintenance of plant	16,140,000	—	(11,000)	16,129,000
Student grants and scholarships	28,998,000	691,000	(691,000)	28,998,000
Auxiliary enterprise expenses	2,767,000	5,648,000	—	8,415,000
Depreciation and amortization	12,283,000	1,304,000	—	13,587,000
Total operating expenses	<u>178,182,000</u>	<u>25,442,000</u>	<u>(1,105,000)</u>	<u>202,519,000</u>
Operating loss	<u>(100,751,000)</u>	<u>(1,796,000)</u>	<u>1,105,000</u>	<u>(101,442,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	57,660,000	—	—	57,660,000
Federal financial aid grants, noncapital	21,815,000	—	—	21,815,000
State financial aid grants, noncapital	13,046,000	—	—	13,046,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	74,000	—	—	74,000
Gifts, noncapital	2,483,000	2,947,000	(1,041,000)	4,389,000
Investment income, net	1,471,000	420,000	—	1,891,000
Endowment income, net	—	2,958,000	—	2,958,000
Interest expense	(4,200,000)	(951,000)	—	(5,151,000)
Other nonoperating revenues	1,243,000	159,000	(64,000)	1,338,000
Net nonoperating revenues	<u>93,592,000</u>	<u>5,533,000</u>	<u>(1,105,000)</u>	<u>98,020,000</u>
Income (loss) before other revenues and expenses	<u>(7,159,000)</u>	<u>3,737,000</u>	<u>—</u>	<u>(3,422,000)</u>
State appropriations, capital				
Grants and gifts, capital	366,000	—	—	366,000
Additions to permanent endowments	—	346,000	—	346,000
Increase (decrease) in net position	<u>(6,793,000)</u>	<u>4,083,000</u>	<u>—</u>	<u>(2,710,000)</u>
Net position:				
Net position at beginning of year, as previously reported	186,055,000	39,571,000	—	225,626,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>186,055,000</u>	<u>39,571,000</u>	<u>—</u>	<u>225,626,000</u>
Net position at end of year	<u>\$ 179,262,000</u>	<u>43,654,000</u>	<u>—</u>	<u>222,916,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 66,051,000
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(31,900,000)
Payments to employees	(101,878,000)
Payments to students	(29,308,000)
Collections of student loans	190,000
Sales and services of educational activities	35,000
Sales and services of auxiliary enterprises	6,082,000
Other receipts	4,897,000
	<u>(85,831,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	57,660,000
Federal financial aid grants	21,888,000
State financial aid grants	13,046,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	74,000
Gifts and grants received for other than capital purposes	2,449,000
Federal loan program receipts	39,314,000
Federal loan program disbursements	(39,425,000)
Monies received on behalf of others	1,030,000
Monies disbursed on behalf of others	(883,000)
Other noncapital financing activities	1,364,000
	<u>96,517,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	16,183,000
State appropriations	248,000
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	50,000
Acquisition of capital assets	(21,031,000)
Issuance of notes receivable	—
Transfers to escrow agent	(12,999,000)
Principal paid on capital debt and leases	(2,698,000)
Interest paid on capital debt and leases	(5,122,000)
Principal collection on capital leases	1,205,000
Interest collection on capital leases	927,000
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(23,237,000)</u>

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flow investing activities:	
Proceeds from sales of investments	\$ 249,753,000
Purchases of investments	(237,830,000)
Investment income proceeds	628,000
	<u>12,551,000</u>
Net cash provided by investing activities	12,551,000
Net increase in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	<u>7,000</u>
Cash and cash equivalents at end of year	<u>\$ 7,000</u>
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	<u>\$ 7,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (100,751,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	12,283,000
Change in assets and liabilities:	
Accounts receivable, net	(253,000)
Notes receivable	—
Student loans receivable, net	(121,000)
Pledges receivable, net	—
Prepaid expenses and other assets	(64,000)
Accounts payable	263,000
Accrued salaries and benefits	583,000
Accrued compensated absences	873,000
Unearned revenue	224,000
Depository accounts	—
Other postemployment benefits obligation	945,000
Other liabilities	187,000
Net cash used in operating activities	<u>\$ (85,831,000)</u>
Supplemental schedule of noncash transactions:	
Acquisition of capital assets through capitalized lease	\$ 1,131,000
Contributed capital assets	703,000
Amortization of net bond premium	126,000
Capital assets paid by the Office of the Chancellor	67,000
Gifts in kind	34,000
Change in accrued capital asset purchases	(981,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,624,000
Payments from discretely presented component units for other than salaries	4,837,000
Payments to discretely presented component units for services, space, and programs	1,078,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	944,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(444,000)
Other amounts payable to discretely presented component units	(1,489,000)
Payments to the Office of the Chancellor for administrative activities	173,000
Payments to the Office of the Chancellor for state pro rata charges	437,000
Accounts receivable from the Office of the Chancellor	252,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	417,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SONOMA

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 422,000	1,836,000	2,258,000
Short-term investments	80,784,000	5,204,000	85,988,000
Accounts receivable, net	2,757,000	453,000	3,210,000
Leases receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,445,000	1,445,000
Prepaid expenses and other assets	765,000	114,000	879,000
Total current assets	<u>84,728,000</u>	<u>9,052,000</u>	<u>93,780,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	157,000	157,000
Accounts receivable, net	—	—	—
Leases receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,775,000	—	1,775,000
Pledges receivable, net	—	1,317,000	1,317,000
Endowment investments	—	32,328,000	32,328,000
Other long-term investments	10,637,000	18,431,000	29,068,000
Capital assets, net	354,042,000	5,177,000	359,219,000
Other assets	—	1,275,000	1,275,000
Total noncurrent assets	<u>366,454,000</u>	<u>58,685,000</u>	<u>425,139,000</u>
Total assets	<u>451,182,000</u>	<u>67,737,000</u>	<u>518,919,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>2,764,000</u>	<u>—</u>	<u>2,764,000</u>
Liabilities			
Current liabilities:			
Accounts payable	3,558,000	204,000	3,762,000
Accrued salaries and benefits	6,689,000	11,000	6,700,000
Accrued compensated absences, current portion	4,075,000	—	4,075,000
Unearned revenue	15,884,000	845,000	16,729,000
Capitalized lease obligations, current portion	141,000	—	141,000
Long-term debt obligations, current portion	5,160,000	254,000	5,414,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	—	—	—
Other liabilities	1,710,000	847,000	2,557,000
Total current liabilities	<u>37,217,000</u>	<u>2,161,000</u>	<u>39,378,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,608,000	16,000	2,624,000
Unearned revenue	3,483,000	—	3,483,000
Grants refundable	1,874,000	—	1,874,000
Capitalized lease obligations, net of current portion	165,000	—	165,000
Long-term debt obligations, net of current portion	206,599,000	3,737,000	210,336,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	3,167,000	—	3,167,000
Other liabilities	75,000	2,528,000	2,603,000
Total noncurrent liabilities	<u>217,971,000</u>	<u>6,281,000</u>	<u>224,252,000</u>
Total liabilities	<u>255,188,000</u>	<u>8,442,000</u>	<u>263,630,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	144,740,000	1,186,000	145,926,000
Restricted for:			
Nonexpendable - endowments	—	35,261,000	35,261,000
Expendable:			
Scholarships and fellowships	905,000	25,000	930,000
Research	35,000	—	35,000
Loans	—	—	—
Capital projects	2,577,000	—	2,577,000
Debt service	—	—	—
Other	4,372,000	9,880,000	14,252,000
Unrestricted	46,129,000	12,943,000	59,072,000
Total net position	<u>\$ 198,758,000</u>	<u>59,295,000</u>	<u>258,053,000</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$16,810,000)	\$ 55,526,000	1,682,000	—	57,208,000
Grants and contracts, noncapital:				
Federal	7,624,000	95,000	—	7,719,000
State	726,000	119,000	—	845,000
Local	114,000	—	—	114,000
Nongovernmental	543,000	—	—	543,000
Sales and services of educational activities	483,000	—	—	483,000
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,424,000)	22,929,000	8,853,000	—	31,782,000
Other operating revenues	7,610,000	1,315,000	—	8,925,000
Total operating revenues	<u>95,555,000</u>	<u>12,064,000</u>	<u>—</u>	<u>107,619,000</u>
Expenses:				
Operating expenses:				
Instruction	47,517,000	—	—	47,517,000
Research	1,685,000	—	—	1,685,000
Public service	14,729,000	—	—	14,729,000
Academic support	14,307,000	—	—	14,307,000
Student services	17,199,000	1,944,000	—	19,143,000
Institutional support	14,399,000	246,000	—	14,645,000
Operation and maintenance of plant	13,694,000	—	—	13,694,000
Student grants and scholarships	12,557,000	—	—	12,557,000
Auxiliary enterprise expenses	14,672,000	8,427,000	—	23,099,000
Depreciation and amortization	14,131,000	328,000	—	14,459,000
Total operating expenses	<u>164,890,000</u>	<u>10,945,000</u>	<u>—</u>	<u>175,835,000</u>
Operating income (loss)	<u>(69,335,000)</u>	<u>1,119,000</u>	<u>—</u>	<u>(68,216,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	51,944,000	—	—	51,944,000
Federal financial aid grants, noncapital	12,506,000	—	—	12,506,000
State financial aid grants, noncapital	7,488,000	—	—	7,488,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	4,763,000	471,000	541,000	5,775,000
Investment income, net	726,000	672,000	—	1,398,000
Endowment income, net	—	4,384,000	—	4,384,000
Interest expense	(8,067,000)	(290,000)	—	(8,357,000)
Other nonoperating revenues (expenses)	1,655,000	(148,000)	60,000	1,567,000
Net nonoperating revenues	<u>71,015,000</u>	<u>5,089,000</u>	<u>601,000</u>	<u>76,705,000</u>
Income before other revenues and expenses	1,680,000	6,208,000	601,000	8,489,000
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,500,000	—	(601,000)	2,899,000
Additions to permanent endowments	—	637,000	—	637,000
Increase in net position	<u>5,180,000</u>	<u>6,845,000</u>	<u>—</u>	<u>12,025,000</u>
Net position:				
Net position at beginning of year, as previously reported	193,578,000	52,450,000	—	246,028,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>193,578,000</u>	<u>52,450,000</u>	<u>—</u>	<u>246,028,000</u>
Net position at end of year	<u>\$ 198,758,000</u>	<u>59,295,000</u>	<u>—</u>	<u>258,053,000</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 55,690,000
Federal grants and contracts	7,484,000
State grants and contracts	647,000
Local grants and contracts	134,000
Nongovernmental grants and contracts	525,000
Payments to suppliers	(40,826,000)
Payments to employees	(95,393,000)
Payments to students	(12,557,000)
Collections of student loans	—
Sales and services of educational activities	502,000
Sales and services of auxiliary enterprises	23,150,000
Other receipts	9,163,000
	<u>(51,481,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	51,944,000
Federal financial aid grants	12,535,000
State financial aid grants	7,476,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	4,763,000
Federal loan program receipts	39,812,000
Federal loan program disbursements	(39,796,000)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Other noncapital financing activities	1,687,000
	<u>78,421,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	1,334,000
State appropriations	—
State appropriations – SPWB Lease Revenue Bonds program	—
Capital grants and gifts	2,501,000
Proceeds from sale of capital assets	—
Acquisition of capital assets	(23,314,000)
Issuance of notes receivable	—
Transfers to escrow agent	(1,328,000)
Principal paid on capital debt and leases	(4,275,000)
Interest paid on capital debt and leases	(9,416,000)
Principal collection on capital leases	—
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(34,498,000)</u>

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 246,654,000
Purchases of investments	(240,045,000)
Investment income proceeds	<u>631,000</u>
Net cash provided by investing activities	<u>7,240,000</u>
Net decrease in cash and cash equivalents	(318,000)
Cash and cash equivalents at beginning of year	<u>740,000</u>
Cash and cash equivalents at end of year	<u>\$ 422,000</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 422,000
Restricted cash and cash equivalents	<u>—</u>
Total cash and cash equivalents at end of year	<u>\$ 422,000</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (69,335,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,131,000
Change in assets and liabilities:	
Accounts receivable, net	(131,000)
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	(67,000)
Accounts payable	530,000
Accrued salaries and benefits	329,000
Accrued compensated absences	424,000
Unearned revenue	1,835,000
Depository accounts	—
Other postemployment benefits obligation	688,000
Other liabilities	<u>115,000</u>
Net cash used in operating activities	<u>\$ (51,481,000)</u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 999,000
Amortization of net bond premium	694,000
Amortization of loss on debt refundings	186,000
Capital assets paid by the Office of the Chancellor	36,000
Change in accrued capital asset purchases	(2,409,000)

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,293,000
Payments from discretely presented component units for other than salaries	3,072,000
Payments to discretely presented component units for services, space, and programs	1,676,000
Gifts in kind from discretely presented component units	60,000
Gifts (cash or assets) from discretely presented component units	3,536,000
Accounts receivable from discretely presented component units	112,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(365,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	146,000
Payments to the Office of the Chancellor for state pro rata charges	346,000
Accounts receivable from the Office of the Chancellor	87,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(63,000)
State lottery appropriations received	646,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position

June 30, 2014

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ —	671,000	671,000
Short-term investments	68,832,000	4,817,000	73,649,000
Accounts receivable, net	1,836,000	602,000	2,438,000
Leases receivable, current portion	88,000	—	88,000
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	451,000	451,000
Prepaid expenses and other assets	561,000	8,000	569,000
Total current assets	<u>71,317,000</u>	<u>6,549,000</u>	<u>77,866,000</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	566,000	566,000
Accounts receivable, net	1,592,000	—	1,592,000
Leases receivable, net of current portion	4,336,000	—	4,336,000
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	778,000	—	778,000
Pledges receivable, net	—	1,629,000	1,629,000
Endowment investments	—	11,024,000	11,024,000
Other long-term investments	130,000	3,130,000	3,260,000
Capital assets, net	127,221,000	8,371,000	135,592,000
Other assets	3,000	90,000	93,000
Total noncurrent assets	<u>134,060,000</u>	<u>24,810,000</u>	<u>158,870,000</u>
Total assets	<u>205,377,000</u>	<u>31,359,000</u>	<u>236,736,000</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>650,000</u>	<u>—</u>	<u>650,000</u>
Liabilities			
Current liabilities:			
Accounts payable	2,316,000	209,000	2,525,000
Accrued salaries and benefits	6,876,000	5,000	6,881,000
Accrued compensated absences, current portion	2,582,000	27,000	2,609,000
Unearned revenue	1,998,000	103,000	2,101,000
Capitalized lease obligations, current portion	433,000	89,000	522,000
Long-term debt obligations, current portion	911,000	240,000	1,151,000
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts, current portion	157,000	—	157,000
Other liabilities	1,958,000	218,000	2,176,000
Total current liabilities	<u>17,231,000</u>	<u>891,000</u>	<u>18,122,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,548,000	—	1,548,000
Unearned revenue	121,000	—	121,000
Grants refundable	910,000	—	910,000
Capitalized lease obligations, net of current portion	131,000	4,335,000	4,466,000
Long-term debt obligations, net of current portion	35,325,000	2,513,000	37,838,000
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits obligation	2,434,000	703,000	3,137,000
Other liabilities	1,021,000	1,331,000	2,352,000
Total noncurrent liabilities	<u>41,490,000</u>	<u>8,882,000</u>	<u>50,372,000</u>
Total liabilities	<u>58,721,000</u>	<u>9,773,000</u>	<u>68,494,000</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>
Net Position			
Net position:			
Net investment in capital assets	96,748,000	1,194,000	97,942,000
Restricted for:			
Nonexpendable - endowments	—	7,914,000	7,914,000
Expendable:			
Scholarships and fellowships	8,000	1,252,000	1,260,000
Research	—	—	—
Loans	—	—	—
Capital projects	1,981,000	—	1,981,000
Debt service	—	—	—
Other	158,000	7,288,000	7,446,000
Unrestricted	48,411,000	3,938,000	52,349,000
Total net position	<u>\$ 147,306,000</u>	<u>21,586,000</u>	<u>168,892,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

	<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 \$31,616,000)	\$ 34,242,000	2,333,000	(1,245,000)	35,330,000
Grants and contracts, noncapital:				
Federal	3,376,000	—	—	3,376,000
State	2,534,000	—	—	2,534,000
Local	1,026,000	—	—	1,026,000
Nongovernmental	593,000	—	—	593,000
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$979,000)	4,762,000	1,474,000	—	6,236,000
Other operating revenues	3,514,000	788,000	—	4,302,000
Total operating revenues	<u>50,047,000</u>	<u>4,595,000</u>	<u>(1,245,000)</u>	<u>53,397,000</u>
Expenses:				
Operating expenses:				
Instruction	49,750,000	238,000	(147,000)	49,841,000
Research	826,000	—	—	826,000
Public service	915,000	32,000	—	947,000
Academic support	12,324,000	506,000	—	12,830,000
Student services	13,138,000	2,691,000	—	15,829,000
Institutional support	13,076,000	1,000	(394,000)	12,683,000
Operation and maintenance of plant	11,961,000	855,000	(138,000)	12,678,000
Student grants and scholarships	23,699,000	—	(594,000)	23,105,000
Auxiliary enterprise expenses	6,152,000	725,000	(1,251,000)	5,626,000
Depreciation and amortization	7,537,000	463,000	—	8,000,000
Total operating expenses	<u>139,378,000</u>	<u>5,511,000</u>	<u>(2,524,000)</u>	<u>142,365,000</u>
Operating loss	<u>(89,331,000)</u>	<u>(916,000)</u>	<u>1,279,000</u>	<u>(88,968,000)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	51,643,000	—	—	51,643,000
Federal financial aid grants, noncapital	22,050,000	—	—	22,050,000
State financial aid grants, noncapital	14,424,000	—	—	14,424,000
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	592,000	—	(594,000)	(2,000)
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	123,000	1,023,000	(118,000)	1,028,000
Investment income, net	767,000	1,572,000	—	2,339,000
Endowment income, net	—	—	—	—
Interest expense	(1,597,000)	(343,000)	—	(1,940,000)
Other nonoperating revenues	2,710,000	17,000	(391,000)	2,336,000
Net nonoperating revenues	<u>90,712,000</u>	<u>2,269,000</u>	<u>(1,103,000)</u>	<u>91,878,000</u>
Income before other revenues and expenses	1,381,000	1,353,000	176,000	2,910,000
State appropriations, capital	—	—	—	—
Grants and gifts, capital	176,000	—	(176,000)	—
Additions to permanent endowments	—	—	—	—
Increase in net position	<u>1,557,000</u>	<u>1,353,000</u>	<u>—</u>	<u>2,910,000</u>
Net position:				
Net position at beginning of year, as previously reported	145,749,000	20,233,000	—	165,982,000
Restatements	—	—	—	—
Net position at beginning of year, as restated	<u>145,749,000</u>	<u>20,233,000</u>	<u>—</u>	<u>165,982,000</u>
Net position at end of year	<u>\$ 147,306,000</u>	<u>21,586,000</u>	<u>—</u>	<u>168,892,000</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 34,710,000
Federal grants and contracts	3,323,000
State grants and contracts	2,694,000
Local grants and contracts	1,121,000
Nongovernmental grants and contracts	401,000
Payments to suppliers	(23,397,000)
Payments to employees	(82,263,000)
Payments to students	(23,702,000)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	4,956,000
Other receipts	2,745,000
	<u>(79,412,000)</u>
Cash flows from noncapital financing activities:	
State appropriations	51,643,000
Federal financial aid grants	22,050,000
State financial aid grants	14,424,000
Local financial aid grants	—
Nongovernmental and other financial aid grants	591,000
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	123,000
Federal loan program receipts	31,867,000
Federal loan program disbursements	(31,913,000)
Monies received on behalf of others	3,154,000
Monies disbursed on behalf of others	(3,220,000)
Other noncapital financing activities	2,712,000
	<u>91,431,000</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	694,000
State appropriations	1,517,000
State appropriations – SPWB Lease Revenue Bonds program	3,949,000
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(7,852,000)
Issuance of notes receivable	—
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,520,000)
Interest paid on capital debt and leases	(1,663,000)
Principal collection on capital leases	88,000
Interest collection on capital leases	—
Principal collection on notes receivable	—
Interest collection on notes receivable	—
	<u>(4,787,000)</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2014

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 164,203,000
Purchases of investments	(171,917,000)
Investment income proceeds	388,000
	<u>(7,326,000)</u>
Net cash provided by investing activities	(94,000)
Cash and cash equivalents at beginning of year	94,000
Cash and cash equivalents at end of year	\$ <u>—</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ —
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ <u>—</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (89,331,000)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	7,537,000
Change in assets and liabilities:	
Accounts receivable, net	499,000
Notes receivable	—
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other assets	(62,000)
Accounts payable	1,110,000
Accrued salaries and benefits	494,000
Accrued compensated absences	388,000
Unearned revenue	42,000
Depository accounts	—
Other postemployment benefits obligation	589,000
Other liabilities	(678,000)
Net cash used in operating activities	\$ <u>(79,412,000)</u>
Supplemental schedule of noncash transactions:	
Contributed capital assets	\$ 175,000
Amortization of net bond premium	118,000
Amortization of loss on debt refundings	52,000
Change in accrued capital asset purchases	(655,000)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Transactions with Related Entities

Year ended June 30, 2014

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 134,000
Payments from discretely presented component units for other than salaries	2,264,000
Payments to discretely presented component units for services, space, and programs	2,840,000
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	467,000
Accounts receivable from discretely presented component units	150,000
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(408,000)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	101,000
Payments to the Office of the Chancellor for state pro rata charges	430,000
Accounts receivable from the Office of the Chancellor	303,000
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery appropriations received	662,000
State lottery appropriations receivable	—

See accompanying independent auditors' report.



CAL POLY SAN LUIS OBISPO



HUMBOLDT STATE UNIVERSITY



CSU LOS ANGELES



CSU EAST BAY



CSU LONG BEACH

CSU Office of the Chancellor
Division of Financial Services
Systemwide Financial Standards & Reporting
401 Golden Shore, Long Beach, CA 90802-4210

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