



SAN FRANCISCO STATE UNIVERSITY



CALIFORNIA STATE UNIVERSITY, EAST BAY



CALIFORNIA STATE UNIVERSITY, CHICO



CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO



CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA



CALIFORNIA STATE UNIVERSITY, MONTEREY BAY



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE



SONOMA STATE UNIVERSITY



CALIFORNIA STATE UNIVERSITY, FULLERTON



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Table of Contents

	Page
Letter from the Executive Vice Chancellor, Chief Financial Officer	3
Independent Auditors' Report	5
Management's Discussion and Analysis	9
Basic Financial Statements:	
Statement of Net Position	33
Statement of Revenues, Expenses, and Changes in Net Position	35
Statement of Cash Flows	37
Notes to Financial Statements	41
Required Supplementary Information:	
Schedule 1: Schedule of University's Proportionate Share of the Net Pension Liability and Related Ratios	88
Schedule 2: Schedule of Employer Contributions Related to Pension	89
Schedule 3: Schedule of University's Total Other Postemployment Benefits Liability and Related Ratios	91
Schedule 4: Schedule of Employer Contributions Related to Other Postemployment Benefits	92
Supplementary Information:	
Schedule 5: Systemwide Revenue Bond Program's Net Income Available for Debt Service	94
Schedule 6: Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus	95
Schedule 7: Systemwide Revenue Bond Program's Statement of Insurance Coverage	97
Schedule 8: Campuses' Supplemental Information	99

LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



The year 2021 dawned at the peak of the COVID-19 pandemic, with the vast majority of the CSU's learning and support services offered via virtual modalities. However, thanks to the ingenuity, adaptability and dedication of our faculty and staff – and to the resolve and resilience of our students – the university continued to thrive.

In 2021, the CSU celebrated its largest graduating class ever, with almost 133,000 students earning their degree and joining a global alumni network that now exceeds four million – another 2021 milestone. Graduation rates continue at all-time highs, and for students from all walks of life.

In the fall, vibrancy began to return to campus life thanks, in large part, to the overwhelming success of the CSU's vaccine requirement. As a result, almost 70 percent of Cal State students systemwide attended courses offered fully or partially in person, with fall sports, concerts, performances and many other events exceeding expectations for participation and attendance.

Looking forward to the spring 2022 term and beyond, barring another significant surge in cases, there will be a continued increase in the number of in-person activities on our campuses, with the ability to flex toward virtual modalities if circumstances require. However, even as public health conditions improve, the CSU will continue to expand and enhance many of the virtual learning and support services that proved so effective through the pandemic, demonstrating responsiveness to the shifting preferences of our students, who increasingly appreciate the access and flexibility these virtual options provide.

As noted above, graduation rates – our most critical student-success metric – are currently at all-time highs, for students from all backgrounds. Simply stated, there has never been a better time to be a Cal State student. This is thanks, in large part, to the continued success of Graduation Initiative 2025, the CSU's flagship initiative to help more students graduate in a timely manner, and to close equity gaps that exist between students of color, low-income students and first-generation students and their peers. And to accelerate our efforts to close these gaps, in 2021 the CSU launched a five-point equity action plan – and early results are extraordinarily positive.

Addressing educational equity, keeping tuition costs affordable with no increase in 2021-22 or proposed for 2022-23, supporting our students' basic needs and advancing student success for students from all backgrounds – through these priorities and many others, the California State University remains one of the nation's leading drivers of socioeconomic ascent, as it helps propel California toward its brightest future.

For California,

A handwritten signature in black ink, appearing to read 'Steve Relyea', written in a cursive style.

Steve Relyea
Executive Vice Chancellor, CFO
The California State University

INDEPENDENT AUDITORS' REPORT





KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

The Board of Trustees
California State University:

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of the California State University (the University), an agency of the State of California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements for the year then ended 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 audits. We did not audit the financial statements of 90 of the 92 aggregate discretely presented component units, which represent 97% of total assets and 99% of the total net position as of June 30, 2021, and 96% of total revenues for the year then ended of the aggregate discretely presented component units totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the 90 discretely presented component units, are 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*. 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.



Opinions

In our opinion, based on our audits and the reports of the 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 University as of June 30, 2021, 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 9 – 31, the schedule of University's proportionate share of the net pension liability and related ratios, and employer contributions related to pension in Schedules 1 and 2, and the schedule of University's total other postemployment benefits liability and related ratios, and employer contributions related to other postemployment benefits in Schedules 3 and 4, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The supplementary information included in Schedules 5 to 8 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 5 and 8 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 5 and 8 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Schedules 6 and 7 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's 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.

KPMG LLP

Los Angeles, California
June 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

The discussion and analysis below provides an overview of the financial position and performance of the California State University (the University) as of and for the year ended June 30, 2021, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 92 discretely presented component units. The discussion has been prepared by management and should be read in conjunction with the audited 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 California State University

The University promotes student success through high-quality education that prepares students to become leaders in the changing workforce, making the University a vital economic engine for California.

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, who is the chief executive officer of the University, and the University presidents, who are the chief executive officers of the respective campuses.

The discretely presented component units of the University consist of primarily recognized auxiliary organizations. These not-for-profit organizations are separate legal entities created to perform essential functions. These functions are classified into the following categories:

- Student self-governance
- Student body center, union, and recreation center
- Externally supported research and sponsored programs
- Commercial services such as bookstores, food services, housing, or real estate development
- Philanthropic activities

Impact of COVID-19 Global Pandemic

In March 2020, the World Health Organization declared the outbreak of Coronavirus Disease (COVID-19) to be a global pandemic. The University, in order to safeguard the health and well-being of its students, faculty, staff and the communities it serves, immediately moved towards primarily online instruction and virtual support. The University has faced increased costs associated with the pandemic and shift to virtual instruction. In addition, self-funded enterprise programs such as student housing, parking, dining services, and professional and continuing education are suffering financially.

In order to keep core instructional and student-support functions afloat, and to mitigate negative impacts to faculty and staff, the University implemented a hiring slowdown, halted travel, and is carefully spending down a portion of reserves that had been prudently saved for economic uncertainty.

In addition, the University has received \$563.67 million funding through the Higher Education Emergency Relief Fund (HEERF I) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted into law in April 2020. This made it possible for the University to offer emergency grants for students experiencing financial hardships

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

due to the COVID-19 global pandemic. A portion of the funds are also available to cover costs incurred by the University associated with significant changes to the delivery of instruction due to the COVID-19 global pandemic.

The Higher Education Emergency Relief Fund II (HEERF II), authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) signed into law in December, 2020, awarded the University \$908.39 million in student financial aid and institutional support. Lastly, the Higher Education Emergency Relief Fund III (HEERF III), authorized by the American Rescue Plan signed into law in March, 2021, awarded the University \$1.59 billion in student financial aid and institutional support.

As a result of HEERF I, II, and III, \$292.71 million and \$242.65 million, were distributed to students in fiscal year 2021 and 2020, respectively, while \$739.95 million mainly from HEERF III, is left to be drawn and distributed in fiscal year 2022. Similarly, \$625.26 million of institutional support was distributed by the University in fiscal year 2021 and \$2.53 million in fiscal year 2020, with \$1.15 billion, mainly from HEERF III, left to be drawn and distributed.

Further, certain component units applied for and received a Payroll Protection Program (PPP) loan, a federal program administered by the U.S. Small Business Administration, launched by the U.S. federal government in response to the economic impact of the COVID-19 global pandemic.

The extent to which the COVID-19 global pandemic impacts the operations going forward will depend on numerous evolving factors, which cannot be reliably predicted at this time. The University has and will continue to attempt to minimize negative impacts of the COVID-19 global pandemic.

Financial Statements

The financial statements of the University as of and for the year ended June 30, 2021 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.

This discussion and analysis is intended to serve as an introduction to the University's basic 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 revenue sources, 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 University implemented GASB Statement No. 84, *Fiduciary Activities*, effective for the fiscal year ended June 30, 2021. The purpose of the standard is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The adoption of this standard did not have a significant impact on the financial reporting for the fiscal year ended June 30, 2021, and therefore, was not reported in the basic financial statements.

Statement of Net Position

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 reported as net position (equity). Assets, deferred outflows of resources, liabilities, and deferred inflows of resources

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

are generally reported at book value, except investments, which are reported at fair 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 as net investment in capital assets, restricted or unrestricted.

Changes from one fiscal 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.

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 fiscal year on an accrual basis are classified as either operating or nonoperating. This distinction results in operating deficits, as the GASB Statement No. 35 reporting model requires classification of state appropriations, a significant revenue stream to fund current operations, as nonoperating revenue.

Statement of Cash Flows

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. 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. Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. The proceeds from the issuance of Systemwide Revenue Bonds (SRB) that will be passed through to the discretely presented component units for capital purposes are reported as noncapital financing activities.

Capital and related financing sources include debt proceeds, state capital appropriations, capital grants and gifts, proceeds from sale of capital assets, and principal and interest payments received on capital leases. Within the capital and related financing activities, uses of funds consist of acquisition of capital assets, and debt repayments. 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.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

Financial Position

The Statement of Net Position presents the financial position of the University and its discretely presented component units. The major components of the Statement of Net Position include assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. A condensed comparative Statements of Net Position follows as of June 30, 2021 and 2020:

	University		Discretely presented component units	
	2021	2020	2021	2020
	(In thousands)			
Assets:				
Current assets	\$ 4,608,660	4,249,587	1,850,762	1,678,457
Capital assets, net	10,789,215	10,139,549	828,277	871,445
Other noncurrent assets	2,670,521	2,704,609	3,304,440	2,660,458
Total assets	18,068,396	17,093,745	5,983,479	5,210,360
Deferred outflows of resources	3,101,461	2,984,024	42,022	36,209
Liabilities:				
Current liabilities	1,594,255	1,465,131	459,549	525,924
Noncurrent liabilities	32,827,759	31,227,378	1,032,841	1,076,603
Total liabilities	34,422,014	32,692,509	1,492,390	1,602,527
Deferred inflows of resources	2,216,734	2,452,308	81,232	59,506
Net position:				
Net investment in capital assets	3,466,408	3,566,992	303,403	329,264
Restricted:				
Nonexpendable	1,663	1,677	1,667,753	1,414,654
Expendable	129,165	178,610	1,473,417	1,184,530
Unrestricted	(19,066,127)	(18,814,327)	1,007,306	656,088
Total net position	<u>\$ (15,468,891)</u>	<u>(15,067,048)</u>	<u>4,451,879</u>	<u>3,584,536</u>

The University's net position decreased by \$401.84 million in 2021. The University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. This change was the primary reason for the deficit in the unrestricted net position. Despite the deficit, the University's current ratio, which measures its ability to pay-off short-term obligations, remains positive for both years at an average of 2.90.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

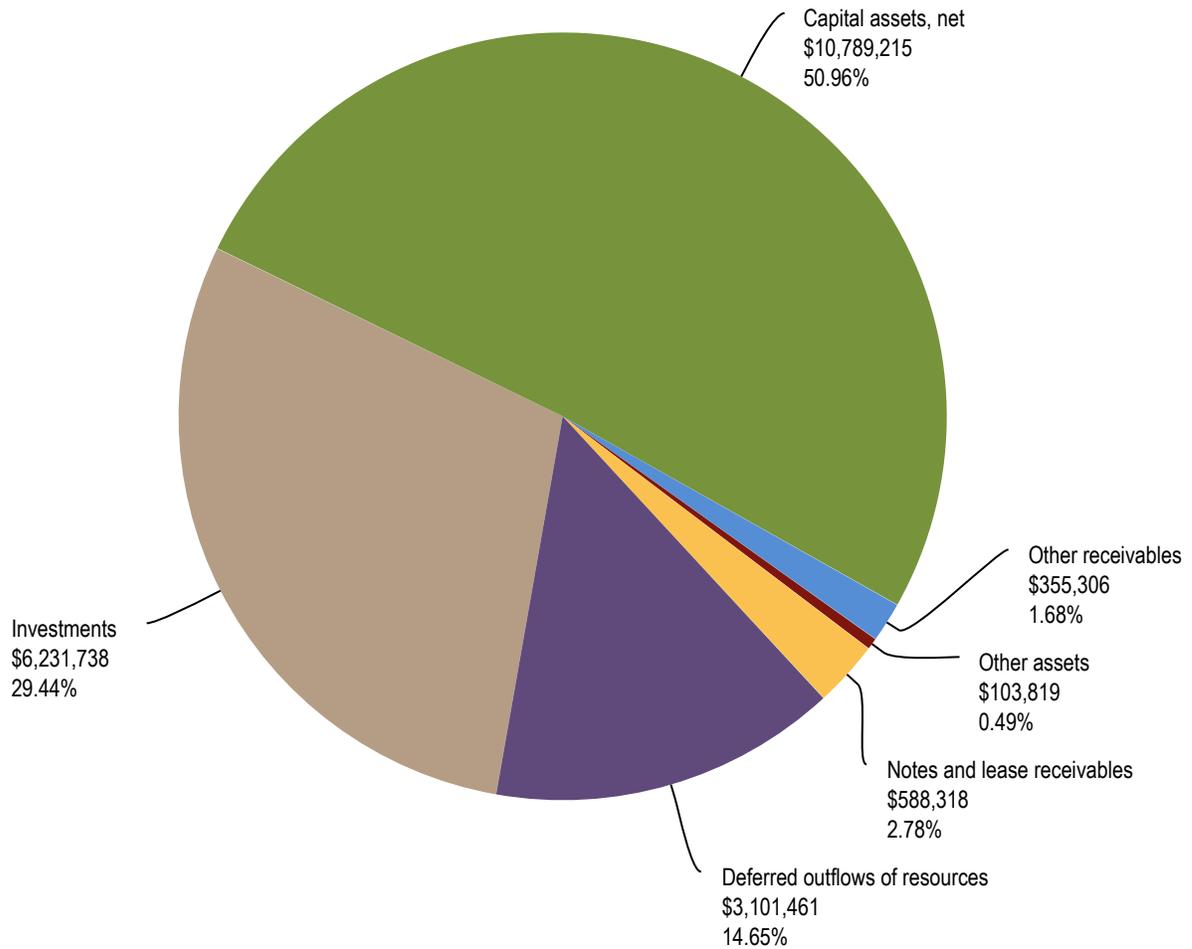
June 30, 2021

The University's Financial Position

Assets and Deferred Outflows of Resources

Total assets increased from \$17.09 billion in 2020 to \$18.07 billion in 2021. Deferred outflows of resources increased from \$2.98 billion in 2020 to \$3.10 billion in 2021.

Assets and Deferred Outflows of Resources
(In thousands)



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

Current and other noncurrent assets of the University 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, capital leases receivable, student loans receivable, pledges receivable, prepaid expenses, and other assets.

Capital Assets, Net

The University's capital assets, net of accumulated depreciation and amortization, represents the largest portion of total assets. The University's net capital assets are as follows as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
	(In thousands)	
Land and land improvements	\$ 378,757	285,802
Buildings and building improvements	7,306,120	7,349,654
Improvements other than buildings	193,511	209,258
Infrastructure	702,000	669,619
Equipment	212,380	219,464
Library books and materials	30,223	30,964
Works of art and historical treasures	57,058	53,581
Intangible assets	68,425	62,135
Construction work in progress	1,840,741	1,259,072
Total	<u>\$ 10,789,215</u>	<u>10,139,549</u>

The University continues to expand its campuses and renovate existing facilities to meet the needs of its students, faculty, and staff. The capital spending includes constructing and renovating academic buildings, student union and recreation centers, and housing facilities. Major projects in 2021 included the East Bay Library Replacement Building, the Long Beach Housing Expansion (Phase I), the Los Angeles Student Housing Complex E and the Physical Science Building seismic renewal, the San Bernardino Santos Manuel Student Union expansion, the San Diego Land Mission Valley and the Aztec Recreation Center expansion, and the San Luis Obispo Science and Research Building.

Investments

The University invests its funds mainly in the Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), and the Total Return Portfolio (TRP), collectively referred herein as CSU Consolidated Investment Pool. The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the University. The investment objective for TRP is to achieve prudent return within a moderate risk level. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed and invested by the State Treasurer in a short-term pool. The proceeds from the sale of Systemwide Revenue Bonds (SRB) are held by the State and invested in SMIF, as required by state law. The investment balances are as follows as of June 30, 2021 and 2020:

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

	2021	Percentage of total	2020	Percentage of total
	(In thousands)	%	(In thousands)	%
Liquidity Portfolio	\$ 3,579,832	57.45	\$ 3,398,917	57.28
Total Return Portfolio	1,361,864	21.85	1,110,236	18.71
State's Surplus Money Investment Fund	1,290,042	20.70	1,424,805	24.01
Total	<u>\$ 6,231,738</u>	<u>100.00</u>	<u>\$ 5,933,958</u>	<u>100.00</u>

Investments increased due to proceeds from issuance of SRB Series 2020C, 2020D, and 2020E, investment gains/earnings, and increase in operating resources from cost saving measures to protect liquidity in light of COVID-19 and amounts received from federal sources pertaining to COVID-19. This is offset by capital project spending and debt service payments.

Notes Receivable

The University has a program utilizing discretely presented component units to support a broad range of functions. In certain cases, the discretely presented component units are involved in the financing of campus facilities as well as off-campus facilities serving the needs of the campus. These facilities are mostly financed by SRB using either lease or loan arrangements.

In the loan arrangement, facilities are financed or refinanced by a loan of SRB proceeds from the University to the discretely presented component units pursuant to a loan agreement. Under the terms of the loan agreement, in return for the loan from the University, the component unit agrees to acquire, construct and/or maintain the facility and repay the loan to the University. The outstanding loan balance is carried by the University as notes receivable. Notes receivable from discretely presented component units decreased from \$385.19 million in 2020 to \$362.30 million in 2021. The decrease of \$22.89 million is due mainly to current year net collection of \$36.17 million, and refunding of existing loan agreements from \$13.15 million to \$26.43 million.

Deferred Outflows of Resources

Deferred outflows of resources are consumption of assets that are applicable to a future reporting period, which has a positive effect on the net position. Deferred outflows of resources consist of the following transactions:

- *Pension* - Increases in the net pension liability that are not recognized as pension expenses for the reporting period are reported as deferred outflows of resources. This includes the difference between expected and actual experience with regard to economic or demographic factors and changed in assumptions used by an actuary to determine total pension liability and difference between project and actual earnings on pension plan investments. The employer contributions subsequent to measurement date are recognized as deferred outflows of resources related to pensions and reduction of net pension liability in the following year.
- *Other Postemployment Benefits (OPEB)* - The employer contributions subsequent to measurement date are recognized as deferred outflows of resources and a reduction of total OPEB liability in the following year. This includes changes in the actuarial OPEB assumptions, which are recognized as OPEB expense over the average remaining working lifetime of all participants.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

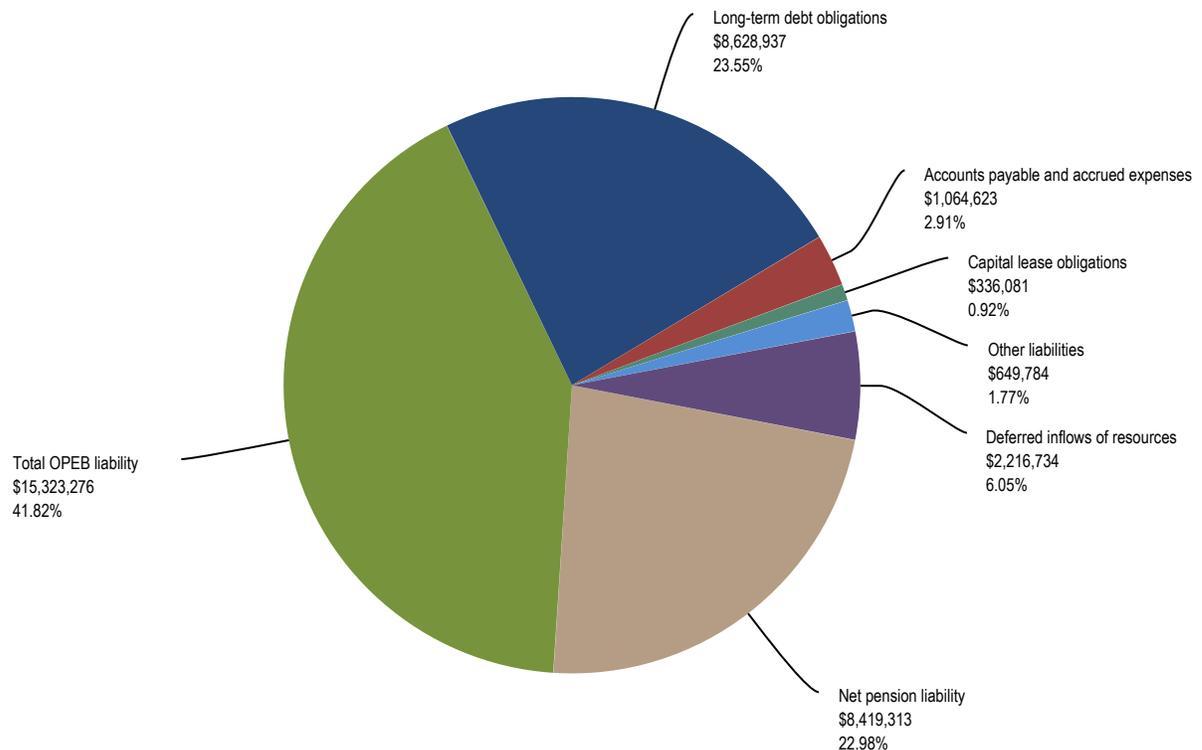
- *Loss on Debt Refunding* - The defeasance of previously outstanding systemwide revenue bonds results in deferring refunding losses. These deferred losses are recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows of resources increased by \$117.44 million from \$2.98 billion in 2020 to \$3.10 billion in 2021. This is mainly due to the increase in deferred outflows of \$585.19 million related to changes in assumptions such as decrease in discount rate used in determining total OPEB liability. In addition, the deferred outflows related to net pension liability increased by \$379.18 million due to higher projected earnings in pension plan investments than actual and \$176.79 million related to change in the demographic experience wherein more members are retiring, retiring earlier, and living longer than assumed. These are offset by, the University's OPEB and pension contributions made subsequent to measurement date of \$74.96 million. Further, amortization amounted to \$947.87 million for deferred outflows of resources related to total OPEB liability, net pension liability and loss on debt refunding.

Liabilities and Deferred Inflows of Resources

Total liabilities of \$34.42 billion represent an increase of \$1.73 billion compared to \$32.69 billion in 2020. Deferred inflows of resources decreased from \$2.45 billion in 2020 to \$2.22 billion in 2021.

**Liabilities and Deferred Inflows of Resources
(In thousands)**



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

Current liabilities (liabilities due within one year) and noncurrent liabilities (liabilities due in more than one year) include major components such as net pension liability, long-term debt obligations, accounts payable and accrued expenses, total OPEB liability, capital lease obligations, and other liabilities.

Total OPEB Liability

The State has a Retiree Health Benefits Program with CalPERS as an agent multiple-employer defined-benefit plan and CalPERS functions as the investment and administrative agent for its members. The University, as a state agency, participates in the State's Retiree Health Benefits Program. The OPEB benefits are funded on a pay-as-you-go basis as eligible participants retire and receive those benefits.

The total OPEB liability increased from \$14.50 billion in 2020 to \$15.32 billion in 2021. The key factors contributing to this increase include (a) change in the demographic experience wherein more members are retiring, retiring earlier, and living longer than assumed, and (b) lower discount rate from 3.13% to 2.45%. This is offset by (a) favorable healthcare claims experience as average member claim costs were lower than assumed, and (b) change in trend rates.

Net Pension Liability

The State's pension plans with CalPERS are agent multiple-employer defined-benefit pension plans and CalPERS functions as the investment and administrative agent for its members. The University, as a state agency, participates in the State's pension plans. The plans act as cost-sharing, multiple-employer defined-benefit pension plans for the University. The University's share in the net pension liability, which is actuarially determined, is based on its proportionate share in the total pensionable compensation of all the participating state agencies for the measurement period.

The net pension liability increased from \$8.19 billion in 2020 to \$8.42 billion in 2021. The increase is due mainly to \$2.67 billion additional pension liability which included the impact of service costs, interest and unfavorable experience compared to the expected. The contributions both by the University and its employees of \$1.47 billion and net return on investment of \$0.97 billion reduced the net pension liability.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

Long-Term Debt Obligations

The University's capital assets are financed using the State's capital appropriations, SRB, leases, and reserves. Bond Anticipation Notes (BANs) provide short-term financing for capital assets during the construction period. The University's total long-term debt obligations increased by \$587.17 million in 2021. The University's long-term debt obligations are summarized as follows as of June 30, 2021 and 2020:

	2021	2020
	(In thousands)	
Systemwide revenue bonds	\$ 7,888,250	7,218,305
Bond anticipation notes	63,266	129,119
Other long-term debt obligations	8,070	9,012
Total	7,959,586	7,356,436
Unamortized net bond premium	669,351	685,331
Total long-term debt obligations	8,628,937	8,041,767
Less current portion	(184,641)	(171,661)
Long-term debt obligations, net of current portion	<u>\$ 8,444,296</u>	<u>7,870,106</u>

- *Systemwide Revenue Bonds*

The University's SRB program issues revenue bonds to finance housing, parking, health centers, student body centers, continuing education facilities, and other special projects related to the educational mission of the University. The following revenues have been pledged as a security for outstanding SRB: student tuition fees, student housing fees, student body center fees, parking fees, health center facility fees, and fees from the professional and continuing education program, as well as payments from various auxiliary organizations and special purpose government entities.

Moody's Investors Service currently provides an intrinsic rating of Aa2, with a stable outlook, for the SRB. Standard & Poor's Ratings Services currently provides an intrinsic rating of AA-, with a stable outlook, for the SRB. All maturities in SRB Series 2007B, and 2007C are insured. Since the middle of fiscal year 2008, some providers of insurance for SRB have been downgraded to ratings below Aaa/AAA. Those bonds that are uninsured bear the intrinsic ratings of the SRB, which are Aa2 from the Moody's Investors Service and AA- from the Standard & Poor's Ratings Services.

The long-term debt obligations related to SRB increased by \$0.67 billion due to issuance of SRB Series 2020C, 2020D, and 2020E with principal amounting to \$1.31 billion offset by \$0.64 billion of combined payments and partial refunding of SRB Series 2011A and 2012A.

- *Bond Anticipation Notes*

BANs are used as short-term financing to acquire and construct capital assets. The BAN payable decreased by \$65.85 million from a prior year's ending balance of \$129.12 million, based on additional BANs amounting to \$176.89 million, offset by redemption of \$242.74 million using proceeds from sale of SRB Series 2020C, 2020D, and 2020E.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

- *State General Obligation Bonds*

The State's GO 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 is not recorded in the University's financial statements. The total GO Bonds carried by the State related to University projects decreased from \$2.05 billion in 2020 to \$1.94 billion in 2021. As a result of the enactment of Education Code Section 89770, the University's share continues to decrease as bonds are paid by the State with no new debt issued for capital facilities.

Deferred Inflows of Resources

Deferred inflows of resources decreased by \$235.57 million from \$2.45 billion in 2020 to \$2.22 billion in 2021. Deferred inflows of resources are mainly related to certain changes in net pension liability and total OPEB liability. The decrease is mainly due to the amortization of prior year deferred inflows of resources amounting to \$711.85 million, net of \$470.75 million additions primarily related to favorable healthcare claims experience as member claims cost is lower than assumed.

Net Position

Net position may serve over time as a useful indicator of the University's financial position. Net position represents the residual interest in the University's assets and deferred outflows of resources after all liabilities and deferred inflows of resources are deducted.

Net position by category is as follows as of June 30, 2021 and 2020:

	2021	2020
	(In thousands)	
Net investment in capital assets	\$ 3,466,408	3,566,992
Restricted:		
Nonexpendable	1,663	1,677
Expendable	129,165	178,610
Unrestricted	(19,066,127)	(18,814,327)
Total net position	\$ (15,468,891)	(15,067,048)

- *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 amortization, 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 net investment in capital assets decreased from \$3.57 billion in 2020 to \$3.47 billion in 2021.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

- *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 and fellowships, research, loans, capital projects, 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. The University's foundations, which are discretely presented component units, hold the significant majority of the University-related endowments.

- 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 and fellowships, research, loans, capital projects, and debt service funds. The restricted expendable net position decreased due to spending for capital outlay projects and unearned revenues for institutional supported related to amounts received pertaining to COVID-19.

- *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 by statute for specific programs or projects related to certain revenue sources. The University, an agency of the State of California, considers statutory restrictions as internally imposed restrictions rather than externally imposed restrictions.

These 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, parking, and campus activities fees, all of which are to be used for specific designated purposes as described in the State of California Education Code. The University also has certain designated resources that represent amounts pledged to support the SRB program.

At June 30, 2021, unrestricted net position reflects a deficit of \$19.07 billion due primarily to the implementation of GASB Statement No. 68 (pension) in 2015, and the implementation of GASB Statement No. 75 (OPEB) in 2018. These Statements require the University to record its share of the State's actuarially determined liabilities for pension and OPEB. The deficit related to pension and OPEB amounted to \$22.93 billion, offset by positive net position of \$3.86 billion from other unrestricted activities.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

Discretely Presented Component Units' Financial Position

In 2021, the discretely presented component units (DPCUs) managed \$5.98 billion of assets, representing 24.88% of the University's \$24.05 billion combined total assets. In 2020, \$5.21 billion of assets were managed by the discretely presented component units, representing 23.36% of the combined total assets.

The philanthropic activities of the University are managed mostly by the discretely presented component units. The restricted cash and cash equivalents, pledges receivables, and endowment investments increased from \$2.09 billion in 2020 to \$2.64 billion in 2021. This represents 10.97% and 9.39% of the combined total assets for 2021 and 2020, respectively.

The claims liability for losses and loss adjustment expenses increased from of \$53.98 million in 2020 to \$54.81 million in 2021. These are mainly the liabilities from the California State University Risk Management Authority, a discretely presented component unit.

The restricted net position, expendable and nonexpendable, of the discretely presented component units was \$3.14 billion, representing 96% of the combined restricted net position in 2021. In 2020, the restricted net position of discretely presented component units was \$2.60 billion, representing 93.51% of the combined restricted net position.

The combined University and discretely presented component units' net position reflects a deficit of \$11.02 billion in 2021 when compared to \$11.48 billion deficit in 2020.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

Results of Operations

The Statement of Revenues, Expenses and Changes in Net Position represents the University's and its discretely presented component units' result of operations. Major components are operating revenues, operating expenses, and nonoperating revenues (expenses). A condensed comparative presentation of the results of operations follows for the years ended June 30, 2021 and 2020:

	University		Discretely presented component units	
	2021	2020	2021	2020
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,289,439	2,175,170	—	196,983
Grants and contracts, noncapital	72,047	70,304	590,750	586,416
Sales and services of educational activities	19,103	39,923	31,728	43,650
Sales and services of auxiliary enterprises, net	153,952	455,639	221,308	439,576
Other operating revenues	200,831	247,890	472,975	264,676
Total operating revenues	2,735,372	2,988,926	1,316,761	1,531,301
Operating expenses	10,233,573	10,460,792	1,544,117	1,743,663
Operating loss	(7,498,201)	(7,471,866)	(227,356)	(212,362)
Nonoperating revenues (expenses):				
State appropriations, noncapital	4,041,103	4,734,349	—	—
Financial aid grants, noncapital	2,066,476	2,060,158	2,470	3,100
Grants and gifts, noncapital	946,778	304,741	381,189	178,295
Investment income, net	326,398	173,420	166,370	39,953
Endowment income, net	39	35	456,886	38,684
Interest expense	(278,539)	(275,191)	(23,971)	(20,301)
Other nonoperating revenues (expenses)	(97,666)	(80,124)	(35,132)	3,753
Net nonoperating revenues	7,004,589	6,917,388	947,812	243,484
Income (loss) before other revenues (expenses)	(493,612)	(554,478)	720,456	31,122
State appropriations, capital	210	5,236	—	—
Grants and gifts, capital	91,559	63,361	23,185	8,447
Additions to permanent endowments	—	—	119,763	106,803
Change in net position	(401,843)	(485,881)	863,404	146,372
Net position – beginning of year	(15,067,048)	(14,581,167)	3,588,475	3,438,164
Net position – end of year	\$ (15,468,891)	(15,067,048)	4,451,879	3,584,536

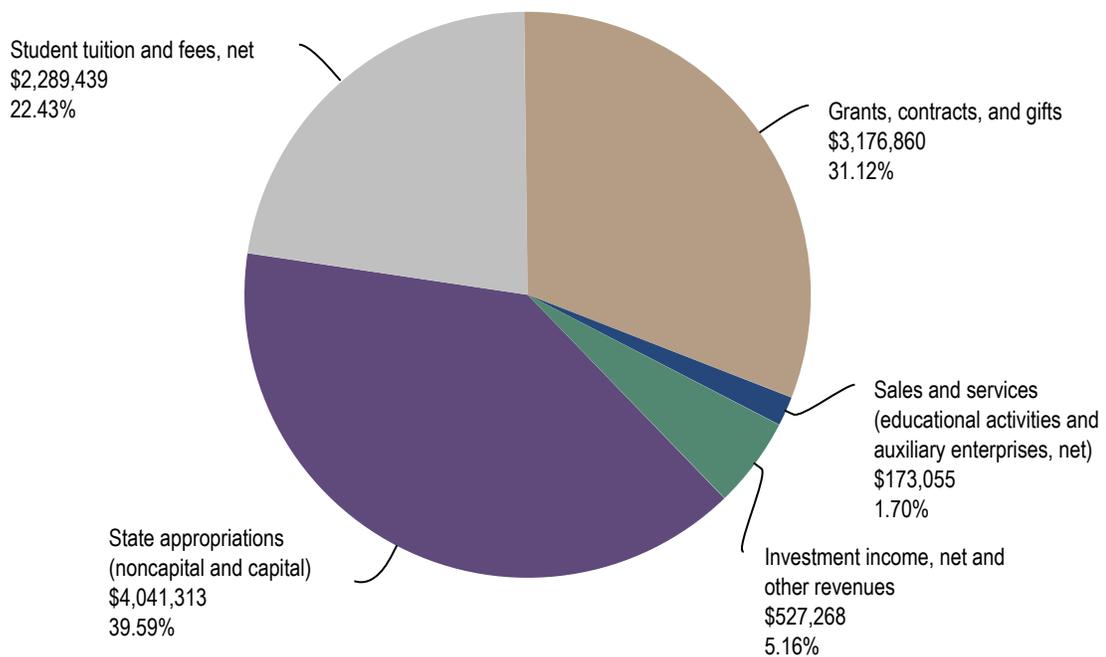
CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

Revenues (Operating and Nonoperating)

The University's two major sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 62.02% and 66.94% of total revenues in 2021 and 2020, respectively. State appropriations are received for both noncapital and capital purposes. Another major source of revenues are grants, contracts, and gifts which represent 31.12% of total revenues in 2021. This includes revenues from student financial aid grants and contracts and funding through the HEERF I, II, and III.

Revenues (Operating and Nonoperating)
(In thousands)



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

The University's total revenues consisted of the following:

	2021	Percentage of total	2020	Percentage of total
	(In thousands)		(In thousands)	
State appropriations (noncapital and capital)	\$ 4,041,313	39.59 %	\$ 4,739,585	45.88 %
Student tuition and fees, net	2,289,439	22.43	2,175,170	21.06
Grants, contracts, and gifts	3,176,860	31.12	2,498,564	24.19
Sales and services (educational activities and auxiliary enterprises), net	173,055	1.70	495,562	4.80
Investment income, net and other revenues	527,268	5.16	421,345	4.07
Total revenues (operating and nonoperating)	\$ 10,207,935	100.00 %	\$ 10,330,226	100.00 %

State Appropriations (Noncapital and Capital)

The University's state appropriations (noncapital and capital) consisted of the following:

	2021	2020
	(In thousands)	
State appropriations, general fund	\$ 3,691,390	4,346,139
State's contribution on behalf of the University for OPEB	349,713	388,210
Total state appropriations, noncapital	4,041,103	4,734,349
State appropriations, capital	210	5,236
Total state appropriations (noncapital and capital)	\$ 4,041,313	4,739,585

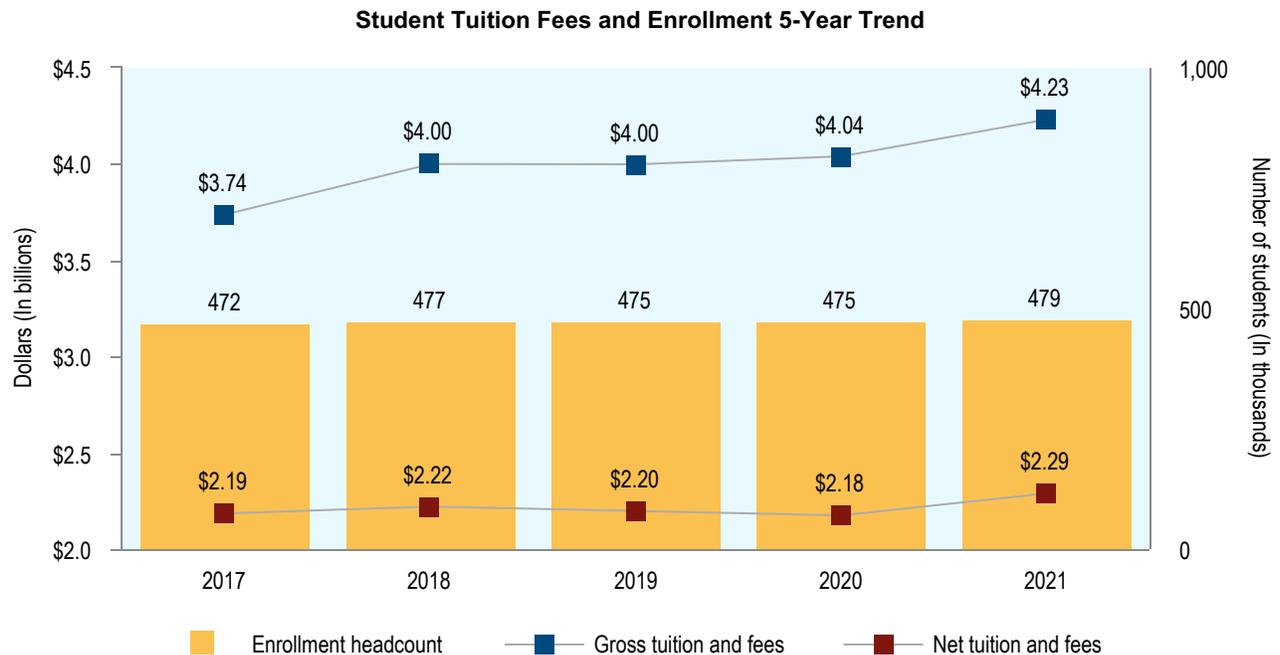
State appropriations are shown as nonoperating revenue, but are primarily used to fund the University's core operations. The state general fund appropriations decreased from \$4.35 billion in 2020 to \$3.69 billion in 2021. This year, the State reduced permanent base funding by \$299 million and removed \$315 million in one-time funding from prior year.

CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis

June 30, 2021

Student Tuition and Fees, Net

The student tuition and fees (before scholarship allowances) amounted to \$4.23 billion . The following chart displays the five-year trend between enrollment headcount and student tuition and fees:



The gross student tuition fees revenue reflects an increasing trend over the last five years. This is mainly driven by student enrollment growth in the last five years. In addition to student enrollment growth, the increase in tuition rates effective in academic year 2017-2018 resulted in the upward trend in 2018. In 2021, the increase is primarily due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, wherein certain fee-based student programs are now presented as the University's student tuition and fees rather than depository transactions on behalf of discretely presented component units.

The University offers eligible students fee waivers and institutional grants to be applied against student tuition and fees. This is in addition to federal agencies, state agencies, and nongovernmental grantor's student financial aid grants. Collectively, these are referred to as scholarship allowance; an offset to the gross student tuition and fees. The increasing gap between the gross and net student tuition and fees reflects growth in the waivers and financial aid grants made available to students. During the last two years, approximately half of the student tuition and fees were paid through waivers and financial aid grants, as shown in the following table.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

	2021	2020
(In thousands)		
Gross student tuition and fees	\$ 4,231,654	4,040,242
Less: Institutional grants	(782,620)	(786,717)
Less: Financial aid grants	(1,159,595)	(1,078,355)
Net student tuition and fees	\$ 2,289,439	2,175,170

The emergency student aid received by the University through HEERF I, II, and III were distributed to students as scholarship and fellowship, which are reported as operating expense rather than an offset to student tuition and fees.

Sales and Services (Educational Activities and Auxiliary Enterprise)

Sales and services of educational activities include revenues related incidentally to the conduct of instruction, research, and public service, and revenues for activities that exist to provide instructional and laboratory experience for students and that incidentally create goods and services that may be sold to faculty, students, staff, and the general public. Net revenues from sales and services of educational activities amounted to \$19.10 million, a decrease from \$39.92 million in 2020.

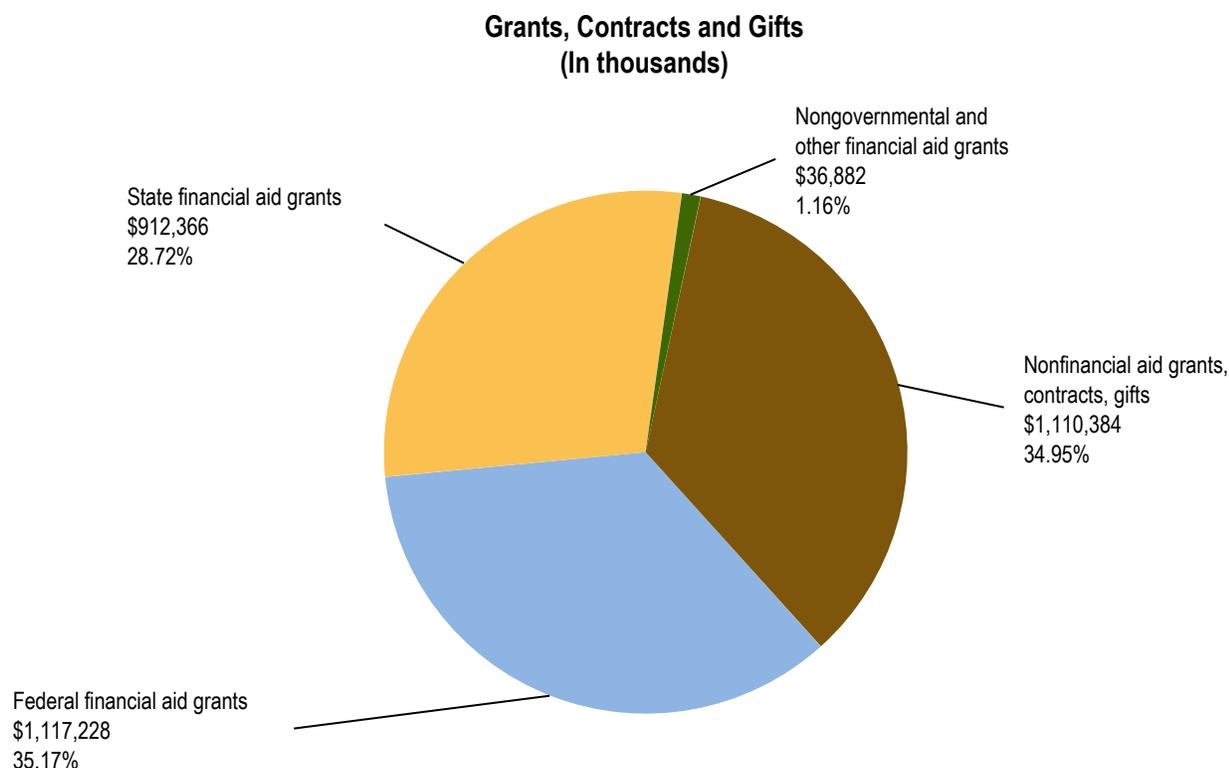
Auxiliary enterprises exist predominantly to furnish goods or services to students, faculty, or staff, for a fee. Net revenues from sales and services of auxiliary enterprises, which are primarily for student housing and parking, amounted to \$153.95 million, which is a \$301.69 million decrease when compared to 2020. The decrease is due to loss of revenue resulting from the University's response to the pandemic by transitioning to primarily virtual instructional approach in 2021.

Grants, Contracts and Gifts

Grants, contracts and gifts revenues are derived substantially from the student financial aid grants from federal agencies, state agencies, and nongovernmental grantors. Major federal financial aid grants came from the Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study. Major state financial aid grants came from Cal Grants and Middle Class Scholarship.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021



Student financial aid grants from federal and state agencies were \$1.12 billion and \$912.37 million, respectively. A combined increase of \$13.28 million from previous year. The financial aid increases are due to more eligible students and higher aid per student.

The remainder of the grants, contracts and gifts include non-financial aid grants, contracts, changes to permanent endowments, and gifts (capital and noncapital), which amounted to \$1.11 billion, or 34.95%, of total grants, contracts, and gifts. This included \$880.25 million of HEERF grants mainly used for emergency aid to students, including but not limited to grants for food, housing, course materials, technology, health care, and childcare. Further, gifts received from discretely presented component units amounted to \$106.79 million.

Investment and Endowment Income, Net

Investment and endowment income for 2021 is \$326.44 million, which is \$152.98 million higher when compared to the prior year. This is primarily due to the rise in unrealized gains compared to prior year.

Expenses (Operating and Nonoperating)

The University's total expenses of \$10.61 billion is comprised of operating expenses of \$10.23 billion, or 96.45%, and nonoperating expenses of \$376.20 million, or 3.55%.

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, the total instruction and

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

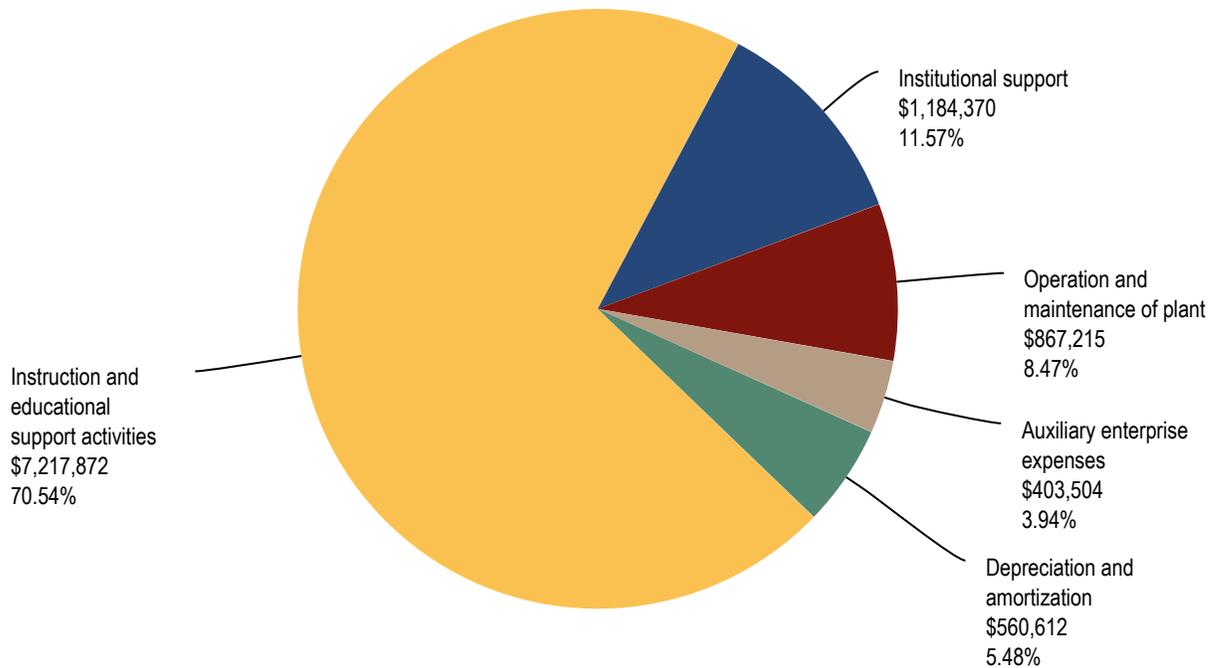
educational support activities account for 70.53% and 70.10% of the 2021 and 2020 total operating expenses of the University, respectively.

	<u>2021</u>	<u>Percentage of total</u>	<u>2020</u>	<u>Percentage of total</u>
	(In thousands)		(In thousands)	
Instruction	\$ 3,530,908	34.50 %	\$ 3,853,279	36.84 %
Research	57,268	0.56	57,249	0.55
Public service	50,452	0.50	58,867	0.56
Academic support	1,000,371	9.78	1,028,607	9.83
Student services	1,243,642	12.15	1,139,403	10.89
Student grants and scholarships	1,335,231	13.05	1,195,923	11.43
Total instruction and educational support activities	<u>7,217,872</u>	<u>70.54</u>	<u>7,333,328</u>	<u>70.10</u>
Institutional support	1,184,370	11.57	1,195,144	11.42
Operation and maintenance of plant	867,215	8.47	986,818	9.43
Auxiliary enterprise expenses	403,504	3.94	399,282	3.83
Depreciation and amortization	560,612	5.48	546,220	5.22
Total operating expenses	<u>\$ 10,233,573</u>	<u>100.00 %</u>	<u>\$ 10,460,792</u>	<u>100.00 %</u>

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

**Operating Expenses
(In thousands)**



- **Salaries**

The University's salaries decreased from \$3.89 billion in 2020 to \$3.78 billion in 2021. The decrease reflects the reduction in staffing which reflects the intent to decrease overall operating expenses in response to decline in revenues associated with the COVID-19 pandemic. The majority of the decrease in salaries are in instruction and education support of \$80.92 million, in auxiliary enterprise of \$24.26 million, and in operation and maintenance of plant of \$15.28 million.

- **Benefits**

The University's benefits decreased from \$3.23 billion in 2020 to \$2.97 billion in 2021. The majority of the decrease in benefits are in instruction and educational support of \$260.13 million.

The pension related benefits expense decreased by \$295.79 million in 2021, due mainly to higher pension plan investment earnings, change in proportionate share in the State's pension liability, and difference between the University's contribution and its proportionate share of the State's total pension contribution, offset by increase in service cost and related interest on total pension liability. The other benefits expense slightly increased by \$4.58 million. The OPEB expense increased by \$33.75 million in 2021, due mainly to higher service cost and the smoothing effect of the changes in the assumptions and differences between actual and expected experience.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

- *Scholarships and Fellowships*

The scholarship and fellowships, which represent financial aid directly paid to students, increased from \$1.20 billion in 2020 to \$1.34 billion in 2021. The increase is mainly due to the HEERF I, II and III grants given to eligible students.

Discretely Presented Component Units' Results of Operations

The discretely presented component units managed \$2.47 billion of revenues, representing 19.46% of the University's \$12.67 billion combined total revenues. This is higher compared to the 15.61% in prior year due to the increase in endowment investment income, gifts and grants revenues, and offset by the decline in revenues from sales and services for auxiliary enterprise.

The discretely presented component units managed \$997.59 million grants contracts, and gifts revenues, representing 23.90% of the \$4.17 billion combined total. Discretely presented component units fund many student co-curricular activities, administer research programs, raise funds, operate student unions, offer recreational programs, coordinate commercial enterprises, and develop public-private partnerships on behalf of the University.

Factors Impacting Future Periods

The impact of COVID-19 global pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. The University is continually monitoring the potential impacts of the COVID-19 pandemic and its effects on the financial statements. The extent to which the COVID-19 global pandemic impacts the operations going forward will depend on numerous evolving factors, which cannot be reliably predicted at this time.

The University has been proactive in mitigating the impact of the decrease in General Fund appropriation. The University implemented several cost-control measures. The CSU has and will continue to attempt to minimize negative impacts of the COVID-19 global pandemic.

Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2021, but prior to the date of the auditors' report.

- *SRB Issuance*

In July 2021, the University issued \$124.23 million of SRB Series 2021A (Tax Exempt) and \$1.66 billion of SRB Series 2021B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund a portion of outstanding SRB Series 2013A and a portion of the SRB Series 2014A bonds, and apply proceeds towards payment of capital lease obligations related to the State's Series 2010B-1 Public Works Board Lease Revenue Bonds.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2021

- *BAN Issuance and Redemption*

In October 2021, the University redeemed the BANs for the following capital projects:

	Amount (In thousands)
Long Beach Hillside Renovation	\$ 31,416
Long Beach Housing Expansion Phase 1 Administration and Commons Building	18,853
Monterey Bay Capital Improvement	11,789
Total	<u>\$ 62,058</u>

In February and March 2022, the University issued BANs amounting to \$107 million (Taxable) and \$7.5 million (Tax-Exempt) for the San Diego State University's Mission Valley Multi-Use Stadium and California Polytechnic State University, San Luis Obispo's Science and Agricultural Teaching and Research Complex, respectively.

BASIC FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2021

(In thousands)

Assets	University	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 7,512	379,967	387,479
Short-term investments	4,210,803	1,014,307	5,225,110
Accounts receivable, net	294,450	261,058	555,508
Capital lease receivable, current portion	9,218	6,830	16,048
Notes receivable, current portion	13,722	64,159	77,881
Pledges receivable, net	2,000	91,938	93,938
Prepaid expenses and other current assets	70,955	32,503	103,458
Total current assets	<u>4,608,660</u>	<u>1,850,762</u>	<u>6,459,422</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	66,630	66,630
Accounts receivable, net	16,380	22,847	39,227
Capital lease receivable, net of current portion	213,677	151,489	365,166
Notes receivable, net of current portion	351,701	18,164	369,865
Student loans receivable, net	42,476	50	42,526
Pledges receivable, net	—	134,926	134,926
Endowment investments	1,663	2,345,617	2,347,280
Other long-term investments	2,019,272	501,677	2,520,949
Capital assets, net	10,789,215	828,277	11,617,492
Other assets	25,352	63,040	88,392
Total noncurrent assets	<u>13,459,736</u>	<u>4,132,717</u>	<u>17,592,453</u>
Total assets	<u>18,068,396</u>	<u>5,983,479</u>	<u>24,051,875</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>3,101,461</u>	<u>42,022</u>	<u>3,143,483</u>
Liabilities			
Current liabilities:			
Accounts payable	345,234	108,051	453,285
Accrued salaries and benefits	428,088	34,607	462,695
Accrued compensated absences, current portion	109,535	16,077	125,612
Unearned revenues	369,386	103,446	472,832
Capital lease obligations, current portion	20,008	9,235	29,243
Long-term debt obligations, current portion	184,641	85,601	270,242
Claims liability for losses and loss adjustment expenses, current portion	—	18,065	18,065
Depository accounts	3,345	13,956	17,301
Other liabilities	134,018	70,511	204,529
Total current liabilities	<u>1,594,255</u>	<u>459,549</u>	<u>2,053,804</u>

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2021

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	\$ 181,766	7,028	188,794
Unearned revenues	5,979	75,151	81,130
Grants refundable	39,792	4,638	44,430
Capital lease obligations, net of current portion	316,073	226,136	542,209
Long-term debt obligations, net of current portion	8,444,296	429,861	8,874,157
Claims liability for losses and loss adjustment expenses, net of current portion	—	36,746	36,746
Depository accounts	16	8,918	8,934
Total other postemployment benefits liability	15,323,276	98,367	15,421,643
Net pension liability	8,419,313	99,948	8,519,261
Other liabilities	97,248	46,048	143,296
Total noncurrent liabilities	<u>32,827,759</u>	<u>1,032,841</u>	<u>33,860,600</u>
Total liabilities	<u>34,422,014</u>	<u>1,492,390</u>	<u>35,914,404</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>2,216,734</u>	<u>81,232</u>	<u>2,297,966</u>
Net Position			
Net position:			
Net investment in capital assets	3,466,408	303,403	3,769,811
Restricted for:			
Nonexpendable – endowments	1,663	1,667,753	1,669,416
Expendable:			
Scholarships and fellowships	26,907	336,515	363,422
Research	—	31,514	31,514
Loans	24,487	2,418	26,905
Capital projects	25,412	109,444	134,856
Debt service	22,943	8,315	31,258
Others	29,416	985,211	1,014,627
Unrestricted	<u>(19,066,127)</u>	<u>1,007,306</u>	<u>(18,058,821)</u>
Total net position	<u>\$ (15,468,891)</u>	<u>4,451,879</u>	<u>(11,017,012)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(in thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Operating revenues:				
Student tuition and fees (net of University scholarship allowances of \$1,942,215)	\$ 2,289,439	—	—	2,289,439
Grants and contracts, noncapital:				
Federal	43,907	386,456	(8)	430,355
State	6,843	124,959	(179)	131,623
Local	5,928	16,578	—	22,506
Nongovernmental	15,369	62,757	(128)	77,998
Sales and services of educational activities	19,103	31,728	—	50,831
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$32,888)	153,952	221,308	(3,266)	371,994
Other operating revenues	200,831	472,975	(14,537)	659,269
Total operating revenues	<u>2,735,372</u>	<u>1,316,761</u>	<u>(18,118)</u>	<u>4,034,015</u>
Expenses:				
Operating expenses:				
Instruction	3,530,908	119,096	(3,248)	3,646,756
Research	57,268	231,867	(600)	288,535
Public service	50,452	210,573	(338)	260,687
Academic support	1,000,371	74,371	(6,298)	1,068,444
Student services	1,243,642	165,730	(8,772)	1,400,600
Institutional support	1,184,370	241,377	(16,243)	1,409,504
Operation and maintenance of plant	867,215	56,916	(24,943)	899,188
Student grants and scholarships	1,335,231	83,609	(35,502)	1,383,338
Auxiliary enterprise expenses	403,504	303,778	(7,687)	699,595
Depreciation and amortization	560,612	56,800	—	617,412
Total operating expenses	<u>10,233,573</u>	<u>1,544,117</u>	<u>(103,631)</u>	<u>11,674,059</u>
Operating loss	<u>(7,498,201)</u>	<u>(227,356)</u>	<u>85,513</u>	<u>(7,640,044)</u>

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(in thousands)

	University	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses):				
State appropriations, noncapital	\$ 4,041,103	—	—	4,041,103
Federal financial aid grants, noncapital	1,117,228	660	—	1,117,888
State financial aid grants, noncapital	912,366	1,281	—	913,647
Local financial aid grants, noncapital	—	36	—	36
Nongovernmental and other financial aid grants, noncapital	36,882	493	(18,456)	18,919
Other federal nonoperating grants, noncapital	884,663	6,519	—	891,182
Gifts, noncapital	62,115	374,670	(46,130)	390,655
Investment income, net	326,398	166,370	—	492,768
Endowment income, net	39	456,886	—	456,925
Interest expense	(278,539)	(23,971)	—	(302,510)
Other nonoperating expenses	(97,666)	(35,132)	39,737	(93,061)
Net nonoperating revenues	<u>7,004,589</u>	<u>947,812</u>	<u>(24,849)</u>	<u>7,927,552</u>
Income (loss) before other revenues	(493,612)	720,456	60,664	287,508
State appropriations, capital	210	—	—	210
Grants and gifts, capital	91,559	23,185	(60,664)	54,080
Additions to permanent endowments	—	119,763	—	119,763
Increase (decrease) in net position	<u>(401,843)</u>	<u>863,404</u>	<u>—</u>	<u>461,561</u>
Net position:				
Net position at beginning of year	<u>(15,067,048)</u>	<u>3,588,475</u>	<u>—</u>	<u>(11,478,573)</u>
Net position at end of year	<u>\$ (15,468,891)</u>	<u>4,451,879</u>	<u>—</u>	<u>(11,017,012)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>University</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 2,302,527
Federal grants and contracts	58,224
State grants and contracts	11,020
Local grants and contracts	5,454
Nongovernmental grants and contracts	14,933
Payments to suppliers	(1,574,907)
Payments to employees	(3,757,204)
Payments for benefits	(1,897,765)
Payments to students	(1,340,086)
Collections of student loans	2,352
Sales and services of educational activities	18,578
Sales and services of auxiliary enterprises	156,650
Other receipts	220,158
	<hr/>
Net cash used in operating activities	(5,780,066)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	3,691,994
Federal financial aid grants	1,095,841
State financial aid grants	912,090
Nongovernmental and other financial aid grants	36,914
Other federal nonoperating grants	833,895
Gifts and grants received for other than capital purposes	60,628
Federal loan program receipts	1,135,888
Federal loan program disbursements	(1,135,480)
Monies received on behalf of others	75,701
Monies disbursed on behalf of others	(73,421)
Transfers to escrow agent	(78,583)
Proceeds from long-term debt	57,051
Principal paid on long-term debt	(21,905)
Interest paid on long-term debt	(18,861)
Issuance of notes receivable	(11,594)
Issuance of capital leases receivable	(30,571)
Principal collections on capital leases	32,673
Interest collections on capital leases	3,104
Principal collections on notes receivable	36,193
Interest collections on notes receivable	17,962
Other noncapital financing activities	(90,557)
	<hr/>
Net cash provided by noncapital financing activities	6,528,962
	<hr/>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>University</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	\$ 1,479,324
State appropriations	25,807
Capital grants and gifts	82,782
Proceeds from sale of capital assets	54,816
Acquisition of capital assets	(1,210,013)
Transfers to escrow agent	(440,400)
Principal paid on capital debt and leases	(415,767)
Interest paid on capital debt and leases	(355,197)
Principal collection on capital leases	5,598
Interest collection on capital leases	7,265
Net cash used in capital and related financing activities	<u>(765,785)</u>
Cash flows from investing activities:	
Proceeds from sales of investments	11,287,501
Purchases of investments	(11,394,671)
Investment income proceeds	120,053
Net cash provided by investing activities	<u>12,883</u>
Net decrease in cash and cash equivalents	(4,006)
Cash and cash equivalents at beginning of year	11,518
Cash and cash equivalents at end of year	<u>\$ 7,512</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 7,512
Total cash and cash equivalents at end of year	<u>\$ 7,512</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (7,498,201)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	560,612
Change in assets and liabilities:	
Accounts receivable, net	(8,012)
Student loans receivable, net	219
Prepaid expenses and other current assets	(1,810)
Other assets	1,876
Deferred outflows of resources	230,082
Accounts payable	41,761
Accrued salaries and benefits	805
Accrued compensated absences	21,291
Unearned revenues	50,924
Depository accounts	(1,859)

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>University</u>
Total other postemployment benefits liability	820,942
Net pension liability	228,543
Other liabilities	8,863
Deferred inflows of resources	(236,102)
Net cash used in operating activities	<u>\$ (5,780,066)</u>

Supplemental schedule of noncash transactions:

State's contribution for OPEB	\$ 349,713
Other assets paid through long-term debt	36,073
Amortization of net bond premium	29,398
Change in accrued capital asset purchases	20,300

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(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, who is the chief executive officer of the University, and the University presidents, who are 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, 2021:

- 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
- California State Polytechnic University, Humboldt (formerly Humboldt State University)
- California State University, Long Beach
- California State University, Los Angeles
- California State University 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 José 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, 2021

(In thousands)

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. These discretely presented component units are legally separate entities that provide services primarily to the University and its students. Recognized auxiliary organizations include foundations, associated students, student unions, auxiliary services, university corporations, and similar organizations. Foundations, whose net position comprises approximately 81.52% 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 discretely presented component units are as follows:

- California State University, Bakersfield Foundation
- Associated Students, California State University, Bakersfield, Inc.
- California State University, Bakersfield Student-centered Enterprises, Inc.
- California State University, Bakersfield, Auxiliary for Sponsored Programs Administration
- California State University Foundation
- California State University Institute
- California State University Risk Management Authority
- California State Student Association *
- California State University, Channel Islands Foundation
- Associated Students of California State University Channel Islands, Inc.
- CI University Auxiliary Services, Inc.
- California State University Channel Islands Financing Authority
- California State University Channel Islands Site Authority
- Chico State Enterprises

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

- The University Foundation, California State University, Chico
- Associated Students of California State University, Chico
- California State University, Dominguez Hills Foundation
- California State University, Dominguez Hills Philanthropic 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
- Cal State East Bay Educational Foundation, Inc.
- California State University, East Bay Foundation, Inc.
- Associated Students, Inc. of California State University, East Bay
- California State University, Fresno Foundation
- The Agricultural Foundation of California State University, Fresno
- The Bulldog Foundation (Fresno)
- Associated Students California State University, Fresno
- California State University, Fresno Athletic Corporation
- California State University, Fresno Association, Inc.
- Fresno State Programs for Children, Inc.
- Cal State Fullerton Philanthropic Foundation
- Associated Students, California State University, Fullerton, Inc.
- CSU Fullerton Auxiliary Services Corporation
- Humboldt State University Foundation
- Humboldt State University Sponsored Programs Foundation
- Associated Students of Humboldt State University
- Humboldt State University Center Board of Directors
- California State University, Long Beach Research Foundation
- CSULB 49er Foundation
- Associated Students, Inc., California State University, Long Beach
- Forty-Niner Shops, Inc. (Long Beach)
- California State University, Los Angeles Foundation
- Associated Students of California State University, Los Angeles, Inc.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

- University-Student Union at California State University, Los Angeles
- Cal State L.A. University Auxiliary Services, Inc.
- California Maritime Academy Foundation, Inc.
- Associated Students of the California Maritime Academy
- Foundation of California State University, Monterey Bay
- University Corporation at Monterey Bay
- Otter Student Union at CSU Monterey Bay
- California State University, Northridge Foundation
- Associated Students, California State University, Northridge, Inc.
- University Student Union California State University, Northridge
- The University Corporation (Northridge)
- North Campus - University Park Development Corporation (Northridge)
- Cal Poly Pomona Foundation, Inc.
- Associated Students, Inc., California State Polytechnic University, Pomona
- Cal Poly Pomona Philanthropic Foundation
- The University Foundation at Sacramento State
- Associated Students of California State University, Sacramento
- University Union Operation of California State University, Sacramento
- University Enterprises, Inc. (Sacramento)
- Capital Public Radio, Inc. (Sacramento)
- CSUSB Philanthropic Foundation
- Associated Students, Incorporated, California State University, San Bernardino
- Santos Manuel Student Union of California State University, San Bernardino
- University Enterprises Corporation at CSUSB
- San Diego State University Research Foundation
- The Campanile Foundation (San Diego)
- Associated Students of San Diego State University
- Aztec Shops, Ltd. (San Diego)
- San Francisco State University Foundation
- Associated Students of San Francisco State University

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

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

**New in FY 2020/2021*

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. There were adjustments to the beginning net position of certain component units that were deemed insignificant to the financial statements. All significant nonexchange transactions between the University and discretely presented component units have been eliminated from these financial statements.

The accompanying financial statements also include the Stockton Center Site Authority, which is included as a blended component unit. 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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(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.

As a public institution, the University is considered a special-purpose government under the provisions of GASB Statements 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 effects of internal activities between funds or groups of funds have been eliminated from these financial statements.

(c) New Accounting Pronouncements

The University implemented GASB Statement No. 84, *Fiduciary Activities*, effective for the fiscal year ended June 30, 2021. The purpose of the standard is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The adoption of this standard did not have a significant impact on the financial reporting for the fiscal year ended June 30, 2021, and therefore, was not reported in the basic financial statements.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, effective for the University's fiscal year ended June 30, 2020. This Statement extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The new accounting pronouncements below reflect the extended effective dates pursuant to GASB Statement No. 95.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for the University's fiscal year beginning July 1, 2021. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The University is evaluating the effect GASB Statement No. 87 will have on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the University's fiscal year beginning July 1, 2021. This Statement requires that interest cost incurred before the end of the construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The University is evaluating the effect GASB Statement No. 89 will have on its financial statements.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for the University's fiscal year beginning July 1, 2022. This Statement clarifies the definition of a conduit debt obligation and establishes that a conduit debt obligation is not a liability of the issuer. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. The University is evaluating the effect GASB Statement No. 91 will have on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, effective for the University's fiscal year beginning July 1, 2021. This Statement addresses a variety of topics including issues related to leases and implementation guides, intra-entity transfers of assets, fiduciary activities, asset retirement obligations, and postemployment benefits (pensions and OPEB). The University is evaluating the effect GASB Statement No. 92 will have on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, effective for the University's fiscal year beginning July 1, 2021. This Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The University is evaluating the effect GASB Statement No. 93 will have on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the University's fiscal year beginning July 1, 2022. This Statement is intended to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The University is evaluating the effect GASB Statement No. 94 will have on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the University's fiscal year beginning July 1, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The University is evaluating the effect GASB Statement No. 96 will have on its financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective for the University's fiscal year beginning July 1, 2021. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The University is evaluating the effect GASB Statement No. 97 will have on its financial statements.

(d) 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(f).

(e) 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 California State University (CSU) Consolidated Investment Pool to be investments.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

The Statement of Cash Flows does not include the cash flows of the discretely presented component units. Certain discretely presented component units are also participants in the CSU Consolidated Investment Pool. The University considers changes in the equity in the CSU Consolidated Investment Pool as investing cash flows of the University in the accompanying Statement of Cash Flows.

(f) 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 from 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 obligations, and restricted as to the liquidity of the investments are classified as other long-term investments.

The University invests in the Surplus Money Investment Fund (SMIF), an external investment pool. The State Treasurer invests the SMIF funds through the Pooled Money Investment Account (PMIA). PMIA policy sets as primary investment objectives safety, liquidity, and yield. The Investment Division of the State Treasurer's Office manages the PMIA under statutory authority granted by California Government Code Sections 16430 and 16480.4. The Pooled Money Investment Board governs the PMIA. The State Treasurer chairs this Board, which also includes the State Controller and the State Director of Finance.

(g) Accounts Receivable

The University maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable based on types of receivables and expectations of repayment. In establishing the required allowance, management considers one or more of the following: types 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.

(h) Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased, or, if donated, at estimated acquisition value (an entry price) at date of donation. Capital assets, including infrastructure and intangible assets, with an original value of five thousand dollars or more and with a useful life of over one year, 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 acquisition value (an entry

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

price) 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.

(i) Unearned Revenues

Unearned revenues consist primarily of fees collected in advance for summer and fall terms and professional and continuing education programs.

(j) Compensated Absences

Compensated absences are recognized, as either current or noncurrent liabilities, when the right to receive the compensation is earned by the employees from vested unpaid vacation and other paid leave programs. Unused sick leave balances are not included in the compensated absences because they do not vest to employees. Vacation is accrued on a monthly basis. The University uses an employee's current pay rate as of July 1, 2021 to calculate the liability for accrued compensated absences. The University provides vacation based on length of service and job classifications.

(k) Grants Refundable

The University periodically receives contributions from the federal government in support of its operation of the Federal Perkins and Nursing Loan programs, both Title IV Loan programs. The federal government has the ability to terminate its support of these programs at any time and to request that the University return those contributions on a cumulative basis, such as the Federal Perkins Loan Program, which has expired in fiscal year 2018. 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.

(l) 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, 2021. 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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(m) Deferred Outflows of Resources and Deferred Inflows of Resources

The University classifies losses on debt refundings as deferred outflows of resources and amortizes it as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter.

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience are amortized over a closed period equal to the average employees' remaining service lives. The deferred outflows and inflows of resources related to differences between projected and actual earnings on pension plan investments are netted and amortized over a closed 5-year period.

Changes in total OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the total OPEB liability are reported as deferred outflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average employees' remaining service lives.

(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 discretely presented component units.
 - Expendable: Net position subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.
- Unrestricted: All other categories of net position. In addition, unrestricted net position may have legislative or bond indenture requirements associated with their use or may be designated for use by management of the University. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas. University housing programs are a primary example of operations that have unrestricted net position with designated uses.

Restricted or unrestricted resources are spent based upon a variety of factors, including funding restrictions, consideration of prior and future revenue sources, the type of expenses incurred, the University's budgetary policies surrounding the various revenue sources or whether the expense is a recurring cost. Unrestricted net position is negative due primarily to liabilities for pension and other postemployment health benefits exceeding University assets available to pay such obligations.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(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 grants, net investment income, noncapital gifts, interest expense, capital grants and gifts, and changes in permanent endowments.

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 fees 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 and fellowships are paid directly to, or refunded to, the student and are reflected as operating expenses.

(p) Total Other Postemployment Benefits (OPEB) Liability

The University's total OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees up to June 30, 2020. The University's total OPEB liability is determined by discounting the projected benefit for current active employees and retirees based on the discount rate required by GASB Statement No. 75 for OPEB plans which do not have assets residing in a qualified trust. The University and the State fund their current OPEB expenses on a "pay-as-you-go" basis.

(q) Net Pension Liability

The University records a pension liability equal to the net pension liability for its proportionate share in the State's defined-benefit plans: the State's Miscellaneous Plan and the Peace Officers and Firefighters Plan (Agent Multiple-Employer Defined-Benefit Pension Plans). The net pension liability is measured as the University's proportionate share of the State's total pension liability, less the University's proportionate share of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the cost sharing defined-benefit plans has been measured consistent with the accounting policies used by the plans.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, information about the fiduciary net position of the pension plan, and additions to/ deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

(r) 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 as the expenditures are incurred, in amounts equal to the expenditures.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(s) Internal Services Activities

Certain institutional internal service providers offer goods and services to University departments, as well as to external customers. These include activities such as copy centers, postal services, and telecommunications. All significant internal service activities provided 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 fiscal year.

(t) 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. The component units are either exempt governmental entities or not-for-profit organizations exempt under IRC Section 501(c)(3). However, the University and its component units remain 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.

(u) Eliminations

All significant nonexchange transactions between the University and its 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.

(v) 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.

(w) Risk and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has negatively affected national, state, and local economies along with global financial markets and the higher education landscape in general. While the future impact of the COVID-19 pandemic cannot be quantified at this time, the University continues to monitor its course and, if necessary, is prepared to take additional measures to protect the health and welfare of the University.

(3) Cash, Cash Equivalents, and Investments

The University's cash, cash equivalents, and investments as of June 30, 2021 are classified in the accompanying Statement of Net Position as follows:

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Cash and cash equivalents	\$	7,512
Total cash and cash equivalents		<u>7,512</u>
Short-term investments		4,210,803
Endowment investments		1,663
Other long-term investments:		
Restricted for capital projects expenditures		1,208,353
Others		810,919
Other long-term investments		<u>2,019,272</u>
Total investments		<u>6,231,738</u>
Total cash, cash equivalents, and investments		<u>\$ 6,239,250</u>

(a) Cash and Cash Equivalents

At June 30, 2021, cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents of \$7,512 had a corresponding carrying balance with the State Treasury and commercial banks of \$18,234 at June 30, 2021. The difference was primarily related to deposits in transit and outstanding checks.

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

(i) 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 institutions that are Federal Deposit Insurance Corporation secured. As a result, custodial credit risk for deposits is remote.

(b) Investments

The University's investment portfolio consists primarily of investments in the CSU Consolidated Investment Pool and SMIF. Separate accounting is maintained as to the amounts allocable to the various University funds and programs.

(i) Investment Policy

State law and regulations require that surplus monies of the University be invested. The objectives of the University's investment policy are to safeguard the principal, to meet liquidity needs of the University, and to obtain the best possible return commensurate with the degree of risk the University is willing to assume in obtaining such return. These objectives may be weighted or prioritized differently for individual portfolios depending on the purpose of the portfolio.

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 Sections 89724 and 89725, 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 fixed-income securities, and certain other investment instruments.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Per the Education and Government Code of the State, the permitted investments include mutual funds, including equity mutual funds, subject to registration by, and under the regulatory authority of the United States Securities and Exchange Commission (SEC), or in United States registered real estate investment trusts, resulting in the establishment of the CSU Total Return Portfolio (TRP). Under State law, investment of funds in the TRP is subject to the University meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not exceed thirty percent of eligible investments thereafter. TRP investments amounted to \$1,361,864 as of June 30, 2021.

Additional earnings (if any) from TRP investments shall be used only for capital outlay or maintenance, and shall not be used for ongoing operations.

(ii) Interest Rate Risk

Interest rate risk is the risk that fluctuations 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 for the Liquidity Portfolio manage its interest rate risk by limiting an eligible investment to maximum effective maturity and by limiting the average duration of the portfolio. There are no restrictions on the duration for the investments in the TRP. The effective maturity date reflects a bond with embedded options 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 an investment relative to fluctuations in market interest rates. Durations of the University's investment portfolio for each investment type, except for SMIF in which weighted average life is used, as of June 30, 2021 are presented in the following table:

Investment type	Fair value	Duration
Money market funds	\$ 382,120	—
Certificates of deposit	238,751	0.13519
U.S. agency securities	835,733	1.50078
U.S. Treasury securities	1,158,909	1.31812
Municipal bonds	13,975	1.25882
Corporate bonds	910,352	1.45002
Mortgage-backed securities	39,993	1.68804
Mutual funds:		
Fixed income	530,607	6.05536
Equity and real assets	831,256	N/A
SMIF	1,290,042	0.79726
Total	<u>\$ 6,231,738</u>	

Another way 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 over time as necessary to provide cash flow and liquidity needed for operations.

(iii) Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

The University, except for investments in the TRP, 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. Therefore, the credit risk is low and occurrence of default risk is remote.

Investments in the TRP include SEC registered mutual funds invested per a target asset allocation which includes investment grade bonds, higher credit risk bonds (i.e. high yield bonds, bank loans, and emerging market bonds), equities and real assets. Risk for the TRP is viewed holistically and in the context of the overall CSU Consolidated Investment Pool, incorporating quantitative and qualitative assessments into oversight of the TRP. The University accepts a level of risk commensurate with the long-term investment goals of the TRP. The mutual fund investment managers are responsible for assessing the credit risk of the individual securities held in the mutual funds for the TRP. Moreover, certain passive index funds in the TRP will seek to replicate the credit risk of the underlying indices to which the index funds are benchmarked.

Ratings of the University's investment portfolio for each investment type as of June 30, 2021 are presented in the following table:

Investment type	Fair value	AAA	AA	A	BB	B	Not rated
Money market funds	\$ 382,120	70,378	—	—	—	—	311,742
Certificates of deposit	238,751	122,977	—	115,774	—	—	—
U.S. agency securities	835,733	—	835,733	—	—	—	—
U.S. Treasury securities	1,158,909	—	1,158,909	—	—	—	—
Municipal bonds	13,975	—	11,032	2,943	—	—	—
Corporate bonds	910,352	—	131,270	779,082	—	—	—
Mortgage-backed securities	39,993	8,275	31,718	—	—	—	—
Mutual funds:							
Fixed income	530,607	—	366,946	—	20,382	143,279	—
Equity and real assets	831,256	—	—	—	—	—	831,256
SMIF	1,290,042	—	—	—	—	—	1,290,042
Total	<u>\$6,231,738</u>	<u>201,630</u>	<u>2,535,608</u>	<u>897,799</u>	<u>20,382</u>	<u>143,279</u>	<u>2,433,040</u>

The mutual funds credit ratings are based on average credit ratings of the underlying mutual funds. Credit ratings for mutual fund related to equity and real assets are not applicable.

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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(iv) Concentration Risk

Concentration risk rises as investments become concentrated relative to a portfolio characteristic such as issuance, issuer, market sector, counterparty, 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 risk is remote.

As of June 30, 2021, there were no investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of the University's investment portfolio.

(v) 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 the 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.

(vi) Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned to the University. 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.

(vii) Fair Value Measurements

The University uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine the fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The University groups its assets and liabilities measured at fair value in three levels, based on markets in which the asset and liabilities are traded and the reliability of the assumptions used to determine fair value. The level in the fair value hierarchy with which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset and liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation.

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2021:

Investment type	Fair value	Level 2	NAV	Not required to be leveled
Money market funds	\$ 382,120	—	382,120	—
Certificates of deposit	238,751	238,751	—	—
U.S. agency securities	835,733	835,733	—	—
U.S. Treasury securities	1,158,909	1,158,909	—	—
Municipal bonds	13,975	13,975	—	—
Corporate bonds	910,352	910,352	—	—
Mortgage-backed securities	39,993	39,993	—	—
Mutual funds:				
Fixed income	530,607	530,607	—	—
Equity and real asset	831,256	831,256	—	—
SMIF	1,290,042	—	—	1,290,042
Total	<u>\$ 6,231,738</u>	<u>4,559,576</u>	<u>382,120</u>	<u>1,290,042</u>

The following discussions describe the valuation methodologies used for financial assets and liabilities measured at fair value. The techniques utilized in estimating the fair value are affected by the assumptions used.

Investments are classified in Level 1 as fair value is obtained at the last sale price on the last business day of the current fiscal year, as quoted on a recognized exchange or an industry standard pricing, when available. Investments for which no sale was reported as of the close of the last business day of the current fiscal year are valued at the quoted bid price provided by the University's external investment managers or their custodians. There were no investments classified in Level 1.

Investments are classified in Level 2 as fair value is calculated using valuations that include observable market quoted prices for similar assets or liabilities. Observable inputs other than quoted prices such as price services or indices, estimates, appraisals, assumptions, and other methods that are reviewed by management. Changes in market conditions and economic environments may impact the net asset value (NAV) and consequently, the fair value of the University's interests in the funds.

There were no assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Certain money market funds are not categorized under the fair value hierarchy and are shown at NAV. These investments are measured at amortized cost when calculating NAV per share (or its equivalent) of the investment.

(viii) Foreign Currency Risk

Foreign Currency Risk, also known as exchange rate risk, is the risk arising from fluctuations in the value of a base currency (U.S. dollar) against foreign currencies related to the underlying currency denomination of securities held for investment.

The majority of the Consolidated Investment Pool is invested in U.S. dollar denominated securities without foreign currency risk.

However, the TRP includes allocations to non-U.S. equities and non-dollar-denominated bonds in the underlying mutual funds for the TRP. The TRP Investment Policy includes an asset allocation policy with targets and acceptable ranges for each asset class included in the TRP, including non-U.S. equity and emerging markets bonds. Additionally, mutual funds utilized in other asset classes within the TRP may also have some foreign currency exposure. However, all mutual funds in the TRP are denominated in United States dollars.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(viii) Discretely Presented Component Units' Investments

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2021:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 76,567	53,566	130,133
Certificates of deposit	26,367	2,314	28,681
U.S. agency securities	23,530	6,626	30,156
U.S. Treasury securities	77,643	113,994	191,637
Municipal bonds	3,602	10,774	14,376
Corporate bonds	84,361	139,829	224,190
Asset-backed securities	2,186	2,051	4,237
Mortgage-backed securities	6,026	36,924	42,950
Mutual funds	258,045	893,873	1,151,918
Exchange-traded funds	64,846	264,964	329,810
Equity securities	83,247	821,703	904,950
Alternative investments:			
Private equity (including limited partnerships)	3,574	100,757	104,331
Hedge funds	9,673	187,209	196,882
Managed futures	—	3,608	3,608
Real estate investments (including real estate investment trust)	3,346	35,031	38,377
Commodities	—	17,298	17,298
Other alternative investments	2,559	94,658	97,217
Other external investment pools	—	39,201	39,201
Local Agency Investment Fund (LAIF)	285,687	2,000	287,687
Other investments	3,048	20,914	23,962
Total	\$ 1,014,307	2,847,294	3,861,601

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

The following table presents investments of the discretely presented component units that are measured at fair value on a recurring basis at June 30, 2021:

<u>Investment type</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Money market funds	\$ 130,133	105,866	8,978	—	15,289
Certificates of deposit	28,681	262	28,419	—	—
U.S. agency securities	30,156	2,230	27,926	—	—
U.S. Treasury securities	191,637	31,370	112,735	—	47,532
Municipal bonds	14,376	5,054	9,322	—	—
Corporate bonds	224,190	112,032	93,145	—	19,013
Asset-backed securities	4,237	112	4,125	—	—
Mortgage-backed securities	42,950	4,058	10,373	—	28,519
Mutual funds	1,151,918	1,095,898	38,408	—	17,612
Exchange-traded funds	329,810	329,222	588	—	—
Equity securities	904,950	829,754	14,430	46,106	14,660
Alternative investments:					
Private equity (including limited partnerships)	104,331	1,218	—	12,769	90,344
Hedge funds	196,882	6,796	10,962	569	178,555
Managed futures	3,608	—	—	—	3,608
Real estate investments					
(including real estate investment trust)	38,377	5,495	—	6,903	25,979
Commodities	17,298	5,428	—	—	11,870
Other alternative investments	97,217	1,216	—	—	96,001
Other external investment pools	39,201	—	—	39,201	—
LAIF	287,687	—	—	—	287,687
Other investments	23,962	21,304	1,499	1,159	—
Total	<u>\$ 3,861,601</u>	<u>2,557,315</u>	<u>360,910</u>	<u>106,707</u>	<u>836,669</u>

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

Investments of \$65,534 are invested under contractual agreements on behalf of the discretely presented component units by the University.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(4) Accounts Receivable

Accounts receivable of the University at June 30, 2021 consisted of the following:

	Current	Noncurrent	Total
State appropriations	\$ 519	8,865	9,384
State appropriations – SPWB Lease Revenue Bond program	—	1,045	1,045
Discretely presented component units	58,972	6,117	65,089
Student accounts	130,091	—	130,091
Government grants and contracts	121,983	—	121,983
Others	29,872	353	30,225
	<u>341,437</u>	<u>16,380</u>	<u>357,817</u>
Less allowance for doubtful accounts	<u>(46,987)</u>	<u>—</u>	<u>(46,987)</u>
Total	\$ <u>294,450</u>	<u>16,380</u>	<u>310,830</u>

(5) Capital Lease Receivable

The University has entered into capital lease agreements with certain discretely presented component units using proceeds from issuance of SRB and BANs to lease existing and newly constructed facilities to the discretely presented component units amounting to \$195,527. Interest rates range from 0.35% to 5.55%. Lease payments are due twice a year on May 1 and November 1. Under the capital lease agreements, payments are due to the University as follows:

Fiscal year ending June 30:

2022	\$ 16,388
2023	29,750
2024	23,564
2025	23,466
2026	20,679
2027 - 2031	94,782
2032 - 2036	65,101
2037 - 2041	16,602
2042 - 2046	6,726
2047 - 2051	2,689
Total minimum lease payments to be received	<u>299,747</u>
Less amounts representing interest	<u>(76,852)</u>
Present value of future minimum lease payments to be received	222,895
Less current portion	<u>(9,218)</u>
Capital lease receivable, net of current portion	<u>\$ 213,677</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(6) Notes Receivable

The University has entered into note agreements primarily with certain discretely presented component units to finance its existing and newly constructed facilities. Notes receivable from discretely presented component units amounted to \$362,301. Interest rates range from 0.35% to 6.48%. Note payments are due twice a year, on May 1 and November 1.

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

Fiscal year ending June 30:	
2022	\$ 29,695
2023	29,633
2024	29,590
2025	29,820
2026	28,924
2027 - 2031	142,082
2032 - 2036	116,283
2037 - 2041	82,349
2042 - 2046	56,354
2047 - 2051	20,725
Total minimum note payments to be received	<u>565,455</u>
Less amounts representing interest	(200,032)
Present value of future minimum note payments to be received	<u>365,423</u>
Less current portion	<u>(13,722)</u>
Notes receivable, net of current portion	<u>\$ 351,701</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(7) Capital Assets

Capital assets activity for the University for the year ended June 30, 2021 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	\$ 285,802	92,955	—	—	378,757
Works of art and historical treasures	53,581	3,951	(474)	—	57,058
Construction work in progress	1,259,072	1,018,149	(10,100)	(426,380)	1,840,741
Intangible assets	41,200	2,945	(493)	(2,035)	41,617
Total nondepreciable/ nonamortizable capital assets	<u>1,639,655</u>	<u>1,118,000</u>	<u>(11,067)</u>	<u>(428,415)</u>	<u>2,318,173</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	14,038,802	29,816	(50,946)	389,440	14,407,112
Improvements other than buildings	776,549	4,495	(184)	8,149	789,009
Infrastructure	1,301,903	48,358	(49,529)	25,666	1,326,398
Personal property:					
Equipment	939,386	48,363	(12,197)	3,125	978,677
Library books and materials	387,569	5,499	(441)	—	392,627
Intangible assets	283,546	13,939	(2,650)	2,035	296,870
Total depreciable/ amortizable capital assets	<u>17,727,755</u>	<u>150,470</u>	<u>(115,947)</u>	<u>428,415</u>	<u>18,190,693</u>
Total cost	<u>19,367,410</u>	<u>1,268,470</u>	<u>(127,014)</u>	<u>—</u>	<u>20,508,866</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(6,689,148)	(419,226)	7,382	—	(7,100,992)
Improvements other than buildings	(567,291)	(28,646)	439	—	(595,498)
Infrastructure	(632,284)	(39,356)	47,242	—	(624,398)
Personal property:					
Equipment	(719,922)	(57,589)	11,214	—	(766,297)
Library books and materials	(356,605)	(6,225)	426	—	(362,404)
Intangible assets	(262,611)	(9,570)	2,119	—	(270,062)
Total accumulated depreciation/amortization	<u>(9,227,861)</u>	<u>(560,612)</u>	<u>68,822</u>	<u>—</u>	<u>(9,719,651)</u>
Net capital assets	<u>\$ 10,139,549</u>	<u>707,858</u>	<u>(58,192)</u>	<u>—</u>	<u>10,789,215</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2021 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	\$ 135,503	17,006	(8,464)	—	144,045
Works of art and historical treasures	12,922	77	(769)	—	12,230
Construction work in progress	71,398	24,968	(4,709)	(64,185)	27,472
Intangible assets	6,637	6	(1,539)	(6)	5,098
Total nondepreciable/ nonamortizable capital assets	<u>226,460</u>	<u>42,057</u>	<u>(15,481)</u>	<u>(64,191)</u>	<u>188,845</u>
Depreciable/amortizable capital assets:					
Buildings and building improvements	792,499	8,929	(34,931)	54,017	820,514
Improvements other than buildings	205,759	2,891	(5,593)	6,863	209,920
Infrastructure	67,693	—	—	—	67,693
Personal property:					
Equipment	246,249	9,056	(25,418)	3,305	233,192
Intangible assets	7,785	200	(516)	6	7,475
Total depreciable/ amortizable capital assets	<u>1,319,985</u>	<u>21,076</u>	<u>(66,458)</u>	<u>64,191</u>	<u>1,338,794</u>
Total cost	<u>1,546,445</u>	<u>63,133</u>	<u>(81,939)</u>	<u>—</u>	<u>1,527,639</u>
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(355,261)	(29,098)	12,126	—	(372,233)
Improvements other than buildings	(105,565)	(11,112)	2,777	—	(113,900)
Infrastructure	(25,933)	(1,697)	—	—	(27,630)
Personal property:					
Equipment	(182,078)	(17,273)	20,227	—	(179,124)
Intangible assets	(6,163)	(817)	505	—	(6,475)
Total accumulated depreciation/amortization	<u>(675,000)</u>	<u>(59,997)</u>	<u>35,635</u>	<u>—</u>	<u>(699,362)</u>
Net capital assets	<u>\$ 871,445</u>	<u>3,136</u>	<u>(46,304)</u>	<u>—</u>	<u>828,277</u>

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(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 are 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.

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 obligations related to the SPWB Lease Revenue Bond program amounted to \$137,350 at June 30, 2021. Total capital assets related to these capital leases have a carrying value of \$146,586 at June 30, 2021. The leases have terms expiring in various years through 2035. The other capital leases consist primarily of leases of campus facilities, but also include certain computer, energy efficiency equipment, and telecommunications equipment. Total capital assets related to these capital leases have a carrying value of \$211,609 at June 30, 2021. The leases bear interest at rates ranging from 0.04% to 10% and have terms expiring in various years through 2049.

Operating leases consist primarily of leases for the use of real property. The University's operating leases expire in various years through 2099. The leases can be canceled if the State does not provide adequate funding. Some of these leases are with discretely presented component units for the rental of office space used in the operations of the University. Total operating lease expenditures for the year ended June 30, 2021 were \$29,165 of which \$13,502 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, 2021 are as follows:

	Capital leases	Operating leases
Fiscal year ending June 30:		
2022	\$ 37,388	33,855
2023	36,353	21,209
2024	34,643	18,945
2025	33,791	17,230
2026	39,038	15,532
2027 - 2031	153,488	41,054
2032 - 2036	115,640	12,899
2037 - 2041	30,506	10,191
2042 - 2046	16,691	7,063
2047 - thereafter	9,274	1,229
Total minimum lease payments	506,812	\$ 179,207
Less amount representing interest	(171,499)	
Present value of future minimum lease payments	335,313	
Unamortized net premium	768	
Total capital lease obligations	336,081	
Less current portion	(20,008)	
Capital lease obligations, net of current portion	\$ 316,073	

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(9) Long-Term Debt Obligations

(a) *State's 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 the State's General Obligation Bonds is not allocated to the University by the State. This debt remains as obligation of the State and is funded by state tax revenues. Accordingly, such debt is not reflected in the accompanying financial statements. The total General Obligation Bonds carried by the State related to the University projects is approximately \$1,937,864 as of June 30, 2021.

(b) *Systemwide Revenue Bond Program*

The State University Revenue Bond Act of 1947, Sections 90010 through 90091 of the Education Code of the State of California (the Bond Act) authorizes the Trustee to issue revenue bonds to finance projects that support the University's educational mission. The University's financing program, referred to as the SRB Program, is designed to provide lower cost debt and greater flexibility to finance projects at the University than would be possible if projects were financed separately. Rather than relying on specific pledged revenues to support specific debt obligations, the SRB program pools multiple sources of revenue as the security for the debt. The University's total outstanding balance of revenue bond indebtedness under the SRB program was \$7,888,250 at June 30, 2021. Under the Bond Act authority, the University has constructed or acquired facilities located at its 23 campuses and the Office of the Chancellor.

In 2014, the State enacted legislation that granted additional capital financing authorities to the University, leading to the SRB program expanding to allow the financing of academic facilities and energy conservation projects. Allowable academic projects include construction and equipping of new and existing academic facilities; infrastructure; deferred maintenance; and refunding of SPWB lease revenue bonds (which funded the construction of certain academic facilities of the University).

Systemwide Revenue Bonds are not secured by mortgages on the facilities constructed or acquired and therefore the facilities do not act as security for the debt. Revenues pledged under the SRB program include program fees from professional and continuing education, health center facilities, housing, parking, and student union; student tuition and fees; and designated auxiliary revenues, net of maintenance and operation expenses before extraordinary items (net income available for debt service), to repay the bonds.

The SRB Indenture (The Indenture) contains provisions that define events of default related to punctuality of the payment of the outstanding principal and interest. Additionally, the Indenture describes the process for which other events of default by the Board related to covenants, agreements, or conditions of the Indenture occur for a period of sixty (60) days after written notice by bondholders (of not less than twenty-five percent (25%) in aggregate principal amount of the bonds outstanding) requiring remediation. Further, the Indenture specifies the process which the Trustees may undertake, at the request of the majority of the bondholders, to declare the principal of all of the bonds then outstanding and the interest accrued to be immediately due and payable.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(c) Bond Anticipation Notes

The Trustees have authorized the issuance of BANs to provide short-term financing to the University for certain projects. The BANs are purchased by CSU 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. 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, 2021 were 1.90% and 0.17%, respectively. The University's BANs totaled \$63,266 at June 30, 2021. The authorized amounts totaled \$92,460, of which \$27,461 has not been issued and \$64,999 has been issued.

CSU Institute, a discretely presented component unit of the University, manages the commercial paper program. The commercial paper program is bound by certain agreements, including the Trust Indenture with the Trustee/ paying agent and the Reimbursement Agreement with the letter of credit banks. Under certain provision of the Trust Indenture, in the event of a default, the Trustees shall take actions set forth by the BAN Resolution to effect the sale of long-term bonds to refinance outstanding BANs. Upon the occurrence of certain events of default specified in the Reimbursement Agreement, the right of the CSU Institute and the University to issue notes may be terminated or be suspended by the banks.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Long-term debt obligations of the University as of June 30, 2021 consisted of the following:

Description	Interest rate percentage	Final maturity date	Original issue amount	Amount outstanding
Systemwide Revenue Bonds:				
Housing Series N & Q	3%	2021/22	\$ 6,695	\$ 235
Series 2007-B	5.45-5.55	2037/38	13,165	8,425
Series 2007-C	5.00	2028/29	63,275	21,190
Series 2010-B	5.45-6.48	2041/42	205,145	205,145
Series 2011-A	3.00-5.25	2042/43	236,410	22,000
Series 2012-A	3.00-5.00	2042/43	436,220	14,930
Series 2012-B	2.79-4.17	2036/37	16,700	13,620
Series 2013-A	3.00-5.00	2026/27	308,855	175,265
Series 2014-A	3.00-5.00	2044/45	747,740	679,825
Series 2015-A	2.00-5.00	2047/48	1,032,920	889,420
Series 2015-B	1.98-4.41	2035/36	29,305	16,860
Series 2016-A	2.00-5.00	2045/46	1,133,105	1,082,700
Series 2016B-1	1.60	2047/48	50,000	50,000
Series 2016B-2	4.00	2049/50	100,000	100,000
Series 2016B-3	4.00	2051/52	100,000	100,000
Series 2017-A	3.00-5.00	2047/48	812,030	764,540
Series 2017-B	1.55-3.90	2047/48	335,155	332,105
Series 2017-C	3.25-5.00	2037/38	49,175	42,045
Series 2018-A	4.00-5.00	2050/51	492,690	483,395
Series 2018-B	2.45-4.25	2050/51	171,000	170,670
Series 2019-A	4.00-5.00	2051/52	449,430	444,865
Series 2019-B	1.90-3.59	2051/52	81,335	79,000
Series 2020-A	5.00	2031/32	65,240	56,385
Series 2020-B	1.47-3.07	2042/43	829,425	827,015
Series 2020-C	2.25 - 5.00	2051/52	314,030	314,030
Series 2020-D	0.35 - 2.82	2042/43	528,575	528,575
Series 2020-E	0.48 - 3.27	2060/61	466,010	466,010
			<u>\$ 9,073,630</u>	7,888,250
Bond Anticipation Notes	Various			63,266
Others	Various			8,070
Total				<u>7,959,586</u>
Unamortized net bond premium				669,351
Total long-term debt				<u>8,628,937</u>
Less current portion				(184,641)
Long-term debt, net of current portion				<u>\$ 8,444,296</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

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

Fiscal year ending June 30:	Principal	Interest
2022	\$ 184,641	322,479
2023	194,280	313,797
2024	216,357	305,697
2025	223,164	297,383
2026	225,695	289,001
2027 - 2031	1,316,898	1,294,708
2032 - 2036	1,415,202	997,202
2037 - 2041	1,395,870	695,528
2042 - 2046	1,369,870	398,382
2047 - 2051	1,112,841	140,989
2052 - thereafter	304,768	24,598
	\$ 7,959,586	5,079,764

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 component units, refer to their separately issued financial statements.

The Board of Trustees does not have a specified debt limit or debt margin, as noted in the University's Policy for Financing Activities. However, the Board finds it appropriate to establish the lowest cost debt financing programs for the University, and to use the limited debt capacity in the most prudent manner.

As of June 30, 2021, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$1,226,169 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2021, there are approximately \$470,840 of remaining authorized and unissued debt for the purpose of refunding certain bonds of the SPWB not previously refunded. The Board may issue all or a portion of these authorized bonds as well as other additional bonds for other new money projects or refunding purposes. The Board expects to authorize the issuance of additional Systemwide Revenue Bonds from time to time in the future. There is no limit on the amount of SRB that the Board may authorize.

(10) Long-Term Debt Refunding

Current Year Refunding

In September 2020, the University issued SRB Series 2020C (Tax Exempt), 2020D (Taxable) and 2020E (Taxable), a portion of Series 2020D proceeds was applied for advance refunding a portion of the SRB Series 2011A (Tax Exempt) and a portion of the SRB series 2012A (Tax Exempt). The defeasance will reduce the University's total financing cost by approximately \$71,176 over the life of the refunded bonds. The economic gain (difference between net present values of the debt service payments on the old debt and new debt) from these transactions was approximately \$64,065. Accordingly, the refunded bonds have been considered defeased and, therefore, removed as a liability from the accompanying financial statements. The total par amount of bonds outstanding as of date of refunding totaled \$445,725 which remained outstanding as of June 30, 2021 .

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Prior Year Refunding

In prior years, the University refunded a portion of SRB Series 2011A (Tax Exempt) by placing the proceeds from the issuance of SRB Series 2020B (Taxable) in an irrevocable trust with the State Treasurer to provide for all future debt service payments on the defeased bonds. The proceeds 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 refunded debt until the debt is called or matured. Accordingly, the trust account assets and liability for the refunded bonds are not included in the University's financial statements. The amount of refunded bonds outstanding totaled \$193,445 as of June 30, 2021.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2021 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 270,011	154,897	(133,607)	291,301	109,535
Capital lease obligations (note 8)	357,072	180	(21,171)	336,081	20,008
Long-term debt obligations (note 9):					
Systemwide revenue bonds	7,218,305	1,308,615	(638,670)	7,888,250	182,190
Bond anticipation notes	129,119	176,891	(242,744)	63,266	72
Other	9,012	2,880	(3,822)	8,070	2,379
	<u>7,356,436</u>	<u>1,488,386</u>	<u>(885,236)</u>	<u>7,959,586</u>	<u>184,641</u>
Unamortized net bond premium	685,331	50,869	(66,849)	669,351	—
Total long-term debt obligations	<u>8,041,767</u>	<u>1,539,255</u>	<u>(952,085)</u>	<u>8,628,937</u>	<u>184,641</u>
Total long-term liabilities	<u>\$ 8,668,850</u>	<u>1,694,332</u>	<u>(1,106,863)</u>	<u>9,256,319</u>	<u>314,184</u>

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2021 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 22,529	11,284	(10,708)	23,105	16,077
Claims liability for losses					
and loss adjustment expenses	53,977	39,817	(38,983)	54,811	18,065
Capital lease obligations	246,773	31,007	(42,409)	235,371	9,235
Long-term debt obligations:					
Revenue bonds	18,820	—	(1,030)	17,790	1,075
Commercial paper, including principal rollovers	129,119	558,523	(624,376)	63,266	62,556
Notes payable	334,785	21,966	(43,035)	313,716	11,480
Other	69,631	25,932	(8,301)	87,262	10,490
	<u>552,355</u>	<u>606,421</u>	<u>(676,742)</u>	<u>482,034</u>	<u>85,601</u>
Unamortized net bond premium	39,851	—	(6,423)	33,428	—
Total long-term liabilities	<u>\$ 915,485</u>	<u>688,529</u>	<u>(775,265)</u>	<u>828,749</u>	<u>128,978</u>

The University has entered into note agreements with certain discretely presented component units to finance existing and newly constructed facilities, using proceeds from issuance of SRB and BANs, for the discretely presented component units amounting to \$313,716 included in notes payable and \$48,585 in other long-term debt obligations as of June 30, 2021.

The University has also entered into capital lease agreements with certain discretely presented component units using proceeds from issuance of SRB and BANs to lease existing and newly constructed facilities to the discretely presented component units amounting to \$193,809 as of June 30, 2021.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

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

(a) *Pension Plan Description*

The University participates in the State's Public Employee's Retirement Fund A (PERF A). PERF A is comprised of agent multiple-employer plans, which includes the State. CalPERS acts as an investment and administrative agent for participating employers. State employees served by PERF A belong to either the State Miscellaneous Tier 1 or Peace Officers and Firefighters categories.

(b) *Benefits Provided*

In addition to providing pension benefits to members, the plan also provides survivor, death, and disability benefits. Eligible employees and their eligible dependents are covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) for medical benefits. The benefit provisions are established by the Public Employee's Retirement Law (PERL) and the Public Employees' Pension Reform Act of 2013 (PEPRA).

A full description of the pension plans regarding numbers of employees covered, benefit provisions, assumptions, and membership information are listed in the June 30, 2019 State Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report.

In general, retirement benefits are based on a formula using member's years of service credit, age at retirement, and final compensation (average salary for a defined period of employment). Retirement formulas vary based on:

- Classification (e.g., State miscellaneous or peace officers and firefighters)
- Membership category (Classic and post-PEPRA); and
- Specific provisions in employees' contracts.

CalPERS issues a publicly available Actuarial Valuation Report and Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. Copies of the CalPERS Actuarial Valuation Report and CAFR may be obtained at www.CalPERS.ca.gov or from the California Public Employees' Retirement System Executive Office, 400 P Street, Sacramento, CA 95814.

(c) *Pensionable Compensation*

For the University, the plan acts as a cost sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension for substantially all eligible University employees. The University's proportion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The pensionable compensation has a measurement period of July 1, 2019 through June 30, 2020.

(d) *Contributions*

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2020, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 7.00% and 11.51% of annual payroll, respectively. For the measurement period ended June 30, 2020, the State's contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 31.08% and 48.85% of annual payroll, respectively.

State Miscellaneous Plan members of the University are required to contribute 5% of their annual earnings in excess of \$513 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered "new members" to CalPERS are required to contribute 50% of the normal cost for their category (e.g., State Miscellaneous Plan members contribute 7.25% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

State Peace Officers and Firefighters Plan members of the University are required to contribute 8% of their annual earnings in excess of \$238 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered "new members" to CalPERS are required to contribute 50% of the normal cost for their category (e.g., State Peace Officers and Firefighters Plan members contribute 12% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

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 IRC 401(a) 17 limits. The University's contributions to CalPERS for the most recent three fiscal years ended June 30 were equal to the required contributions and were as follows:

	<u>University's contributions</u>	
Fiscal year ended June 30:		
2021	\$	950,935
2020		1,011,518
2019		928,987

In 2018, the State made a supplemental pension contribution of \$876,842 to CalPERS on behalf of the University as authorized by Government Code Section 20825. The University shall repay \$156,283 amount contributed through June 30, 2030, while the remainder was recognized as State appropriations, noncapital in 2018. As of June 30, 2021, the outstanding amount to be repaid by the University is \$83,417.

(e) Actuarial Methods and Assumptions

The total pension liability was measured as of June 30, 2020 (measurement date), by rolling forward the total pension liability determined by the June 30, 2019 actuarial valuation (valuation date), based on the following

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

actuarial methods and assumptions:

Valuation date:	June 30, 2019
Actuarial cost method:	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%, net of pension plan investment expense but without reduction for administrative expenses including inflation
Mortality rate of return	Derived using CalPERS' membership data for all funds
Postretirement benefit increase:	Contract cost of living allowance up to 2.50% until purchasing power protection allowance floor on purchasing power applies; 2.50% thereafter

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions report (Experience Study), based on CalPERS demographic data from 1997 to 2015. The Experience Study report can be obtained from www.CalPERS.ca.gov under Forms and Publications.

(f) Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the plans tested, none of the plan assets were exhausted. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% is applied to all plans in the PERF. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test result is presented in the GASB Crossover Testing Report, which can be obtained from www.CalPERS.ca.gov under GASB Statement No. 68 section.

(g) Investment Rate of Return

The long-term expected rate of return on pension plan investments of 7.15% was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, but without reduction for administrative expenses, and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Taking into account historical returns of all the PERF's asset classes (which includes the agent plan and two cost-sharing plans), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11– 60 years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation used to measure the total pension liability.

Asset class	Current target allocation %	years 1–10¹ %	years 11+² %
Global equity	50	4.80	5.98
Fixed income	28	1.00	2.62
Inflation assets	—	0.77	1.81
Private equity	8	6.30	7.23
Real estate	13	3.75	4.93
Liquidity	1	—	(0.92)
Total	<u>100</u>		

¹ An expected inflation of 2% used for this period

² An expected inflation of 2.92% used for this period

(h) Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the University's proportionate share of net pension liability of the State Miscellaneous and Peace Officers and Firefighters Plans (collectively the Plans) as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.15%) or one-percentage point higher (8.15%) than the current rate:

Plan	Discount rate -1% (6.15%)	Current discount rate (7.15%)	Discount rate + 1% (8.15%)
Miscellaneous Plan	\$ 11,785,845	8,270,213	5,323,791
Peace Officers and Firefighters Plan	225,702	149,100	86,232
Net pension liability	<u>\$ 12,011,547</u>	<u>8,419,313</u>	<u>5,410,023</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(i) Changes in Net Pension Liability

The University reported a liability of \$8,419,313 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2019 rolled forward to the measurement date. The University's proportion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The State considered this a practical, systematic, and rational approach. At measurement date June 30, 2020, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 23.79119% and 1.05879%, respectively.

	State Miscellaneous Plan	State Peace Officers and Firefighters Plan	Total
Balance at June 30, 2019 (measurement date)	\$ 8,022,234	168,536	8,190,770
Changes in proportionate share	(19,996)	(12,402)	(32,398)
Balance at June 30, 2019, adjusted	8,002,238	156,134	8,158,372
Changes recognized for the measurement period:			
Service cost	505,738	11,250	516,988
Interest on total pension liability	1,971,907	37,563	2,009,470
Recognized difference between expected and actual experience	176,645	1,823	178,468
Employee contributions	(239,299)	(4,895)	(244,194)
Employer contributions	(1,191,591)	(34,101)	(1,225,692)
Net investment income	(984,513)	(19,194)	(1,003,707)
Plan to plan resource movement	1,003	(8)	995
Administrative expenses	28,085	528	28,613
Net changes	267,975	(7,034)	260,941
Balance at June 30, 2020 (measurement date)	\$ 8,270,213	149,100	8,419,313

(j) Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. For example, for the accounting valuations, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation.

(k) Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

The University recognized pension expense of \$1,277,922 for State Miscellaneous Plan and State Peace Officers and Firefighters Plan, which were reported as benefits expense.

The following table presents deferred outflows and inflows of resources as of June 30, 2021. Deferred outflows and inflows of resources are recognized for the difference between expected and actual experience and changes in assumptions. Deferred outflows of resources are recognized for the University's retirement contributions made

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

subsequent to the measurement date of June 30, 2020 which will be recognized as a reduction of the net pension liability in the next measurement date. Net deferred outflows of resources are recognized for the aggregate difference (positive and negative) between projected and actual earnings on pension plan investments arising in different measurement periods.

	Deferred outflows of resources	Deferred inflows of resources
University's retirement contributions subsequent to the measurement date	\$ 950,935	—
Differences due to changes in assumptions	6,374	88,036
Net differences between projected and actual earnings on pension plan investments	207,714	—
Differences between expected and actual experience	417,880	700
Total	\$ 1,582,903	88,736

The deferred outflows of resources will be recognized as pension expense as follows:

(i) Schedule of Differences due to Changes in Assumptions

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)		
			2021	2022	Total
Peace Officers and Firefighters Plan:					
2017	27,621	5.2	5,312	1,062	6,374
Increase in pension expense			\$ 5,312	1,062	6,374

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(ii) Schedule of Differences between Expected and Actual Experience

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of differences between expected and actual experience (measurement dates)				
			2021	2022	2023	2024	Total
Miscellaneous Plan:							
2018	\$ 106,048	4.1	\$ 25,865	2,587	—	—	28,452
2019	483,546	4.1	117,938	117,938	11,794	—	247,670
2020	176,645	4.2	42,058	42,058	42,058	8,412	134,586
Peace Officers and Firefighters Plan:							
2016	194	5.2	7	—	—	—	7
2018	3,749	5	750	750	—	—	1,500
2019	7,035	5	1,407	1,407	1,407	—	4,221
2020	1,823	4.8	380	380	380	304	1,444
Increase in pension expense			<u>\$ 188,405</u>	<u>\$ 165,120</u>	<u>\$ 55,639</u>	<u>\$ 8,716</u>	<u>\$ 417,880</u>

(iii) Schedule of Differences between Projected and Actual Earnings on Pension Plan Investments

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase (decrease) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)				
			2021	2022	2023	2024	Total
Miscellaneous Plan:							
2017	\$ (628,395)	5	\$ (125,679)	—	—	—	(125,679)
2018	(217,519)	5	(43,504)	(43,504)	—	—	(87,008)
2019	118,351	5	23,670	23,670	23,670	—	71,010
2020	431,953	5	86,391	86,391	86,391	86,391	345,564
Peace Officers and Firefighters Plan:							
2017	(11,198)	5	(2,240)	—	—	—	(2,240)
2018	(3,947)	5	(789)	(789)	—	—	(1,578)
2019	2,076	5	415	415	415	—	1,245
2020	8,001	5	1,600	1,600	1,600	1,600	6,400
Increase (decrease) in pension expense			<u>\$ (60,136)</u>	<u>67,783</u>	<u>112,076</u>	<u>87,991</u>	<u>207,714</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

The deferred inflows of resources will be recognized as pension expense as follows:

(iv) Schedule of Differences between Expected and Actual Experience

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the differences between expected and actual experience (measurement dates)		
			2021	2022	Total
Peace Officers and Firefighters Plan:					
2017	\$ 3,034	5.2	\$ 583	117	700
Decrease in pension expense			\$ 583	117	700

(v) Schedule of Differences due to Changes in Assumptions

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)		
			2021	2022	Total
Miscellaneous Plan:					
2018	\$ 327,737	4.1	\$ 79,936	7,994	87,930
Peace Officers and Firefighters Plan:					
2018	266	5	53	53	106
Decrease in pension expense			\$ 79,989	8,047	88,036

*Adjusted for any changes in University's proportionate share

(13) Other Postemployment Benefits (OPEB)

(a) OPEB Plan Description

The State provides retiree health and dental benefits to annuitants of retirement systems through an agent multiple-employer defined benefit plan which operates as a single-employer defined benefit plan for the University. The design of health and dental benefit plans can be amended by CalPERS Board of Administration. To be eligible, employees must retire within 120 days of separation from employment and have met the health and dental vesting period to be eligible to receive these benefits.

(b) Benefits Provided

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/Preferred Provider

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(PPO) plans are offered to the University's retirees. Health plans offered, covered benefits, monthly rates, and co-payments are determined by the CalPERS Board of Administration, which reviews health plan contracts annually. At measurement date, the count of retired and active employees covered by the health benefit terms were:

	Headcount
Retirees elected to receive healthcare benefits	32,204
Active employees	50,271
Total	<u>82,475</u>

(c) Contributions

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.

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 the University 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. Historically, the State has funded approximately 95% of the cost of the benefits.

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. The State's contribution to the retirees' health benefits are recorded as State appropriations, noncapital.

In addition to the explicit University contribution provided to retirees, there is an "implicit rate subsidy." The gross premium for retired members not eligible for Medicare who are charged a premium based on the experience of both active and retired members will be receiving a subsidy because the average healthcare costs of retired members is generally higher than the blended average costs of a group comprised of both active and retired members. The subsidy is referred to as the implicit rate subsidy. The implicit subsidy associated with the retiree health costs paid during the past year is also considered to be a contribution from the University.

(d) Actuarial Methods and Assumptions

Projections of benefits for financial 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 benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are consistent with a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Significant actuarial methods and assumptions used to calculate the University's total OPEB liability were:

Valuation and measurement date:	June 30, 2020
Actuarial cost method:	Entry Age Normal Actuarial Cost Method and the blended discount rates in accordance with the requirements of GASB Statement No. 74 and 75.
Actuarial assumptions:	
Discount rate	2.45%
Price inflation	2.25%
Wage inflation	2.50%
Healthcare-related:	Assumptions were updated based on the 2018 Experience Review for the Years July 1, 2014, to June 30, 2018, performed by State Actuary and were first adopted beginning with the June 30, 2019 actuarial valuation.
Healthcare trend rate:	
Pre-Medicare cost trend rate	7.5% in 2022, graded down over a six-year period until to a trend rate of 4.5% in 2028, remains at 4.50 percent for nine years until the ultimate rate of 4.25 percent is reached in 2037.
Post-Medicare cost trend rate	7.5% in 2022, graded down over a six-year period until to a trend rate of 4.5% in 2028, remains at 4.50 percent for nine years until the ultimate rate of 4.25 percent is reached in 2037.
Participation rate	On average approximately 95% of all eligible retirees elect healthcare coverage.
Per capita claim costs	A retiree healthcare actuarial valuation depends on the retired member's expected healthcare claim at a given age indexed for healthcare inflation.
Pension-related:	Assumptions were based on the December 2017 Experience Study conducted by CalPERS which includes rates of decrement, salary increase rates, and economic assumptions. Assumptions were first adopted beginning with the June 30, 2018, actuarial valuation.

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions report (Experience Study), based on CalPERS demographic data from 1997 to 2015. The Experience Study report can be obtained from www.CalPERS.ca.gov under Forms and Publications.

(e) Sensitivity of the University's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

One of the key assumptions influencing costs is the assumed growth or trend in healthcare costs. The healthcare trend assumption for OPEB actuarial valuations spans over the lifetime of a covered retiree, which could extend to over 30 years. This is in contrast to the short-term healthcare inflation used to develop premiums for the next fiscal year. This long-term healthcare assumption is by far the most difficult to set.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

The following table presents the University's total OPEB liability as of the measurement date, calculated using the healthcare cost trend rates that are one-percentage-point lower of (6.5% decreasing to 3.25%) or one-percentage-point higher (8.5% decreasing to 5.25%) than the current healthcare cost trend rate:

	Trend rate -1% (6.5% decreasing to 3.25%)	Current trend rate (7.5% decreasing to 4.25%)	Trend rate + 1% (8.5% decreasing to 5.25%)
Total OPEB liability	\$ 13,408,462	15,323,276	17,792,403

(f) Discount Rate

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2020 and 2019 was 2.45% and 3.13%, respectively. The discount rates were based on Fidelity Index's 20-Year Municipal GO AA Index since the University has no plan assets sufficient to make benefit payments.

(g) Sensitivity of the University's Total OPEB Liability to Changes in the Discount Rate

The following table presents the University's total OPEB liability as of the measurement date, calculated using the discount rate of 2.45%, as well as what the total other postemployment benefits liability would be if it were calculated using a discount rate that is one-percentage point lower (1.45%) or one-percentage point higher (3.45%) than the current rate:

	Discount rate -1% (1.45%)	Current discount rate (2.45%)	Discount rate + 1% (3.45%)
Total OPEB liability	\$ 18,094,566	15,323,276	13,119,591

(h) Changes in Total OPEB Liability

The following table presents the changes in total OPEB liability of the University recognized over the measurement period:

Balance at June 30, 2019 (Measurement Date)	\$ 14,498,545
Changes recognized for the measurement period:	
Service cost	643,745
Interest on total OPEB liability	467,733
Recognized changes of assumptions	585,190
Differences between expected and actual experience (non-investment)	(471,337)
Employer contribution	(400,600)
Net changes	824,731
Balance at June 30, 2020 (Measurement Date)	\$ 15,323,276

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(i) OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The University recognized OPEB expense of \$747,972 which was reported as benefits expense.

The following table presents deferred outflows and inflows of resources. Deferred outflows of resources are recognized for the University's retirement contributions made subsequent to the measurement date of June 30, 2020 which will be recognized as a reduction of total OPEB liability on the subsequent measurement date. The deferred inflows of resources are recognized for the change in assumptions.

	Deferred outflows of resources	Deferred inflows of resources
University's contributions subsequent to the measurement date	\$ 390,008	—
Differences due to changes in assumptions	1,049,506	996,281
Differences between expected and actual experience (non-investment)	—	1,121,335
Total	<u>\$ 1,439,514</u>	<u>2,117,616</u>

The University's contributions subsequent to the measurement date includes \$353,502 contributed by the State on behalf of the University as authorized by Government Code Section 22871. The State's contributions are recognized as State appropriations, noncapital.

The deferred outflows of resources due to changes in assumptions will be recognized as OPEB expense as follows:

Measurement Period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expenses arising from changes of assumptions (measurement dates)								Total
			2021	2022	2023	2024	2025	2026	2027		
2019	\$ 751,688	7.25	\$ 103,631	103,631	103,631	103,631	103,631	103,631	26,271	—	544,426
2020	585,190	7.30	80,110	80,110	80,110	80,110	80,110	80,110	80,110	24,420	505,080
Increase in OPEB expenses			<u>\$ 183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>183,741</u>	<u>106,381</u>	<u>24,420</u>	<u>1,049,506</u>

The deferred inflows of resources will be recognized as reduction of OPEB expense as follows:

Measurement Period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expenses arising from changes of assumptions (measurement dates)					Total
			2021	2022	2023	2024	2025	
2017	\$ 1,663,194	6.86	\$ 242,299	242,299	209,400	—	—	693,998
2018	519,714	7.17	72,477	72,477	72,477	72,477	12,375	302,283
Decrease in OPEB expenses			<u>\$ 314,776</u>	<u>314,776</u>	<u>281,877</u>	<u>72,477</u>	<u>12,375</u>	<u>996,281</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

Decrease in OPEB expenses arising from differences between expected and actual experience (non-investment) (measurement dates)

Measurement Period ended June 30	Initial difference	Recognition period (year)	2021	2022	2023	2024	2025	2026	2027	Total
2018	\$ 1,111,239	7.17	\$ 154,968	154,968	154,968	154,968	26,463	—	—	646,335
2019	94,145	7.25	12,979	12,979	12,979	12,979	12,979	3,292	—	68,187
2020	471,337	7.30	64,524	64,524	64,524	64,524	64,524	64,524	19,669	406,813
Decrease in OPEB expenses			<u>\$ 232,471</u>	<u>232,471</u>	<u>232,471</u>	<u>232,471</u>	<u>103,966</u>	<u>67,816</u>	<u>19,669</u>	<u>1,121,335</u>

(14) Deferred Outflows and Inflows of Resources

The composition of deferred outflows and inflows of resources at June 30, 2021 is summarized as follows:

	Deferred outflows of resources	Deferred inflows of resources
Related to:		
Net pension liability (note 12)	\$ 1,582,903	88,736
Total other postemployment benefits liability (note 13)	1,439,514	2,117,616
Unamortized loss on SRB debt refunding	79,011	—
Unamortized gain on SRB debt refunding	—	4,353
Nonexchange transactions	—	967
Others	33	5,062
Total	<u>\$ 3,101,461</u>	<u>2,216,734</u>

(15) 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, 2021. 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, 2021.

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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(16) Commitments and Contingencies

The University is a defendant in multiple lawsuits involving matters not covered by the CSURMA as discussed in note 15. Management of the University is of the opinion that the liabilities, if any, arising from litigation will not have a material effect on the financial position of the University.

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

Authorized but unexpended costs for construction projects as of June 30, 2021 totaled \$826,832. These expenditures will be funded primarily by State appropriations and bond proceeds.

In order to secure access to electricity used for normal operation, the University participates in forward purchase contract of electricity operated by Shell Energy North America. The University's obligations under these special purchase arrangements require it to purchase an estimated total of \$8,794 of electricity at fixed prices through December 2022. The University estimates that the special purchase contract in place represent approximately 11.48% of its total annual electricity expenses.

(17) 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, 2021, operating expenses by natural classification consisted of the following:

	Salaries	Benefits	Scholarships and fellowships expense	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 1,995,868	1,383,175	—	151,865	—	3,530,908
Research	31,518	5,885	—	19,865	—	57,268
Public service	24,676	14,019	—	11,757	—	50,452
Academic support	451,905	354,312	—	194,154	—	1,000,371
Student services	464,215	415,761	—	363,666	—	1,243,642
Institutional support	492,242	417,491	—	274,637	—	1,184,370
Operation and maintenance of plant	249,720	292,349	—	325,146	—	867,215
Student grants and scholarships	—	—	1,335,231	—	—	1,335,231
Auxiliary enterprise expenses	67,829	87,647	—	248,028	—	403,504
Depreciation and amortization	—	—	—	—	560,612	560,612
Total	\$ 3,777,973	2,970,639	1,335,231	1,589,118	560,612	10,233,573

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2021

(In thousands)

(18) Transactions with Related Entities

The University is an agency of the State and receives approximately 40% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$4,041,313 for the year ended June 30, 2021. State appropriations receivable is \$10,429 at June 30, 2021.

State appropriations allocated to the University for the year ended June 30, 2021 consisted of the following:

	2021
State appropriations, noncapital	\$ 3,691,390
State's contribution on behalf of the University for OPEB	349,713
State appropriations, capital	210
Total state appropriations	<u>\$ 4,041,313</u>

(19) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2021, but prior to the date of the auditors' report.

- *SRB Issuance*

In July 2021, the University issued \$124,235 of SRB Series 2021A (Tax Exempt) and \$1,664,085 of SRB Series 2021B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund a portion of outstanding SRB Series 2013A and a portion of the SRB Series 2014A bonds, and apply proceeds towards payment of capital lease obligations related to the State's Series 2010B-1 Public Works Board Lease Revenue Bonds.

- *BAN Issuance and Redemption*

In October 2021, the University redeemed the BANs for the following capital projects:

	Amount
Long Beach Hillside Renovation	\$ 31,416
Long Beach Housing Expansion Phase 1 Administration and Commons Building	18,853
Monterey Bay Capital Improvement	11,789
Total	<u>\$ 62,058</u>

In February and March 2022, the University issued BANs amounting to \$107,000 (Taxable) and \$7,520 (Tax-Exempt) for the San Diego State University's Mission Valley Multi-Use Stadium and California Polytechnic State University, San Luis Obispo's Science and Agricultural Teaching and Research Complex, respectively.

REQUIRED SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY

Schedule of University's Proportionate Share of the Net Pension Liability and Related Ratios

June 30, 2021

(In thousands)

Last Ten Fiscal Years⁽¹⁾

State of California Miscellaneous Plan	2020⁽²⁾	2019⁽²⁾	2018⁽²⁾	2017⁽²⁾	2016⁽²⁾	2015⁽²⁾	2014⁽²⁾
University's proportion of the net pension liability	23.79119 %	23.85065 %	24.09757 %	23.87558 %	22.87662 %	22.84970 %	22.72891 %
University's proportionate share of the net pension liability	\$ 8,270,213	8,022,235	7,570,176	8,723,068	7,575,326	6,453,200	5,411,439
University's proportionate share of covered payroll	\$ 3,152,983	3,002,439	2,900,140	2,780,552	2,567,251	2,407,821	2,209,786
University's proportionate share of the net pension liability as a percentage of covered payroll	262.29805 %	267.19061 %	261.02795 %	313.71711 %	295.07539 %	268.00996 %	244.88521 %
Plan fiduciary net position as a percentage of the total pension liability	71.51054 %	71.34328 %	71.82994 %	66.41644 %	66.81100 %	70.68274 %	74.17418 %

State of California Peace Officers and Firefighters Plan

University's proportion of the net pension liability	1.05879 %	1.14289 %	1.17223 %	1.15890 %	1.15882 %	1.07094 %	1.00623 %
University's proportionate share of the net pension liability	\$ 149,100	168,535	163,075	176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	\$ 39,417	41,367	41,153	38,632	37,528	33,341	30,160
University's proportionate share of the net pension liability as a percentage of covered payroll	378.26319 %	407.41440 %	396.26516 %	457.89066 %	422.61507 %	374.89140 %	338.91247 %
Plan fiduciary net position as a percentage of the total pension liability	73.18576 %	70.56276 %	70.53476 %	65.89199 %	66.09678 %	69.61241 %	72.18915 %

⁽¹⁾ The University implemented GASB Statement No. 68 effective July 1, 2014, therefore, no information is available for the measurement periods prior to June 30, 2014.

⁽²⁾ The date in the column heading represents the end of the measurement period of the net pension liability, which is one year prior to the reporting period.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Pension
 Year ended June 30, 2021
 (In thousands)

Last Ten Fiscal Years⁽¹⁾

State of California Miscellaneous Plan	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,014,772	1,000,772	902,330	836,450	737,766	641,710	588,353
Contributions in relation to the actuarially determined contributions	(936,487)	(992,004)	(909,834)	(839,367)	(740,571)	(644,679)	(589,385)
Contribution deficiency (excess)	<u>\$ 78,285</u>	<u>8,768</u>	<u>(7,504)</u>	<u>(2,917)</u>	<u>(2,805)</u>	<u>(2,969)</u>	<u>(1,032)</u>
University's covered payroll	\$ 3,195,126	3,230,694	3,079,834	2,953,043	2,768,770	2,559,878	2,431,410
Contributions as a percentage of covered payroll	29.30986 %	30.70560 %	29.54166 %	28.42380 %	26.74729 %	25.18397 %	24.24046 %
State of California Peace Officers and Firefighters Plan							
Actuarially determined contribution	\$ 19,601	\$ 19,512	\$ 18,374	17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	(14,448)	(19,514)	(19,153)	(18,442)	(16,600)	(14,647)	(13,610)
Contribution deficiency (excess)	<u>\$ 5,153</u>	<u>\$ (2)</u>	<u>\$ (779)</u>	<u>(680)</u>	<u>(742)</u>	<u>(620)</u>	<u>(1,873)</u>
University's covered payroll	\$ 40,060	\$ 41,342	\$ 42,022	41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	36.06590 %	47.20139 %	45.57851 %	44.22966 %	42.16194 %	38.98797 %	40.79369 %

⁽¹⁾ The University implemented GASB Statement No. 68 effective July 1, 2014, therefore, no information is available for the measurement periods prior to June 30, 2014.

CALIFORNIA STATE UNIVERSITY

Schedule of Employer Contributions Related to Pensions

Year ended June 30, 2021

Notes to required supplementary information schedule for the most recent fiscal year presented:

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.
Methods and assumption used to determine contribution rates:	
Actuarial cost method	Entry age normal in accordance with the requirement of GASB Statement No. 68.
Amortization method/period	For details, see June 30, 2019 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.5%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7%, net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details, please refer to the 2017 CalPERS Experience Study and Review of Actuarial Assumptions report.
Significant factors affecting contribution rates	For details, see June 30, 2019 Funding Valuation Report.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Schedule of University's Total Other Postemployment Benefits Liability and Related Ratios

June 30, 2021

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

	2020 ⁽²⁾	2019 ⁽²⁾	2018 ⁽²⁾	2017 ⁽²⁾
University's total other postemployment benefits liability at beginning of the year	\$ 14,498,545	\$ 13,128,996	13,918,525	14,683,420
Changes recognized for the measurement period:				
Service cost	643,745	603,049	680,934	795,696
Interest on total other postemployment benefits liability	467,733	490,260	513,512	436,431
Recognized changes of assumptions	585,190	751,688	(519,714)	(1,663,194)
Recognized differences between Expected and Actual Experience (Non-Investment)	(471,337)	(94,145)	(1,111,239)	—
Employer contributions	(400,600)	(381,303)	(353,022)	(333,828)
Net changes	824,731	1,369,549	(789,529)	(764,895)
University's total other postemployment benefits liability at end of the year	\$ 15,323,276	\$ 14,498,545	13,128,996	13,918,525
University's covered payroll	\$ 3,235,186	3,272,036	3,121,856	2,994,739
University's total other postemployment benefits liability as a percentage of covered payroll	473.64436 %	443.10469 %	420.55098 %	464.76588 %

⁽¹⁾ The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

⁽²⁾ The date in the column heading represents the end of the measurement period of the total OPEB liability, which is one year prior to the reporting period.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Schedule of Employer Contributions Related to Other Postemployment Benefits

Year ended June 30, 2021

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

	2021	2020	2019	2018
Actuarially determined contributions	\$ 771,153	786,426	743,648	754,550
Contributions in relation to the actuarially determined contributions	(390,008)	(404,389)	(362,260)	(349,487)
Contribution deficiency	381,145	382,037	381,388	405,063
University's covered payroll	\$ 3,235,186	3,272,036	3,121,856	2,994,739
Contributions as a percentage of covered payroll	12.05520 %	12.35894 %	11.60399 %	11.67003 %

Notes to required supplementary information schedule for the most recent fiscal year presented:

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.
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Methods and assumption used to determine actuarially determined contributions:

Actuarial cost method	Entry Age Normal Actuarial Cost Method and the blended discount rates as required by GASB Statements No. 74 and 75. The Normal Cost and Actuarial Accrued Liability for purpose of calculating the Actuarially Determined Contribution were developed using the Entry Age Normal Actuarial Cost Method and a full funding discount rate of 6.75 percent.
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Inflation	2.25%
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Payroll growth	2.50%
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Retirement age	
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The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

Mortality	The mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the mortality rates, the revised rates include 15 years of projected ongoing mortality improvement using 90% Scale MP 2016 published by the Society of Actuaries.
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⁽¹⁾ The University implemented GASB Statement No. 75 effective July 1, 2017, therefore, no information is available for the measurement periods prior to June 30, 2017.

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Net Income Available for Debt Service

Year ended June 30, 2021

(In thousands)

Gross revenues:	
Tuition fees	\$ 3,390,203
Student housing	179,251
Student unions/recreation centers	280,152
Parking	21,462
Health centers	12,600
Professional and continuing education	434,689
Auxiliary organizations ¹	466,753
Other related entity ²	7,187
Total gross revenues	<u>4,792,297</u>
Maintenance and operation expenses ³ :	
Academic facilities	384,694
Student housing	305,594
Student unions/recreation centers	133,194
Parking	51,052
Health centers	4,413
Professional and continuing education	338,498
Auxiliary organizations ¹	415,738
Total maintenance and operation expenses	<u>1,633,183</u>
Net income available for debt service	<u>\$ 3,159,114</u>
Debt service:	
Systemwide revenue bonds debt	\$ 468,032
Designated auxiliary organizations debt	2,018
Total debt service	<u>\$ 470,050</u>

The purpose of this schedule is to meet bond reporting covenants covering the operations of the projects showing the gross revenues and expenses for the fiscal year.

- (1) This included gross revenues and maintenance and operation expenses of 17 auxiliary organizations that have financed with SRB through lease or loan arrangements. This excludes research grants and contracts activity and restricted gifts. Gross revenues under the SRB Indenture are a smaller amount derived from payments under certain leases or with the Board of Trustees.
- (2) This includes gross revenues derived from leases with California State University, Channel Islands Site Authority which are used solely to pay debt service. The maintenance and operation expenses are excluded as these are not paid by the pledged gross revenues.
- (3) Maintenance and operation expenses for the year ended June 30, 2021 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$102,575, other postemployment benefits expense of (\$9,086) pursuant to GASB Statement No. 75, and pension expense of \$1,278,000 pursuant to GASB Statement No. 68.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus ⁽¹⁾

Year ended June 30, 2021

	(In thousands)						
	Operating and other revenues	Operating expenditures	Excess of revenues over expenditures	Design capacity	Operational capacity ⁽²⁾⁽³⁾	Average number of spaces occupied	% of spaces occupied ⁽³⁾⁽⁴⁾
California State University, Bakersfield	\$ 1,357	(4,122)	5,479	500	496	79	16 %
California State University Channel Islands	3,238	6,395	(3,157)	1,529	1,526	186	12
California State University, Chico	1,690	10,284	(8,593)	2,239	2,308	95	4
California State University, Dominguez Hills	1,142	3,320	(2,178)	1,155	1,153	101	9
California State University, East Bay	3,173	8,154	(4,981)	1,296	1,634	390	24
California State University, Fullerton	4,095	9,978	(5,883)	1,918	2,039	273	13
California State Polytechnic University, Humboldt	6,773	9,348	(2,575)	2,069	2,095	698	33
California State University, Long Beach	2,971	16,269	(13,298)	1,826	1,622	261	16
California State University, Los Angeles	2,039	931	1,107	1,069	1,060	205	19
California State University Maritime Academy	5,718	8,457	(2,739)	984	984	430	44
California State University, Northridge	3,910	13,123	(9,213)	3,578	3,421	295	9
California State Polytechnic University, Pomona	2,947	12,984	(10,038)	2,862	2,884	130	5
California State University, Sacramento	5,020	26,246	(21,225)	2,088	2,172	372	17
California State University, San Bernardino	1,570	4,709	(3,139)	1,934	1,579	175	11
San Diego State University	38,850	61,431	(22,581)	4,839	5,303	855	16
San Francisco State University ⁽⁷⁾	14,309	29,648	(15,339)	4,461	4,399	454	10
San José State University	13,526	27,703	(14,177)	3,699	4,218	952	23
California Polytechnic State University, San Luis Obispo	57,553	34,934	22,619	7,764	7,764	5,025	65
Sonoma State University	5,891	14,098	(8,207)	3,146	3,286	527	16
California State University, Stanislaus	1,314	4,187	(2,873)	460	472	105	22
	\$ 177,086	298,077	(120,991)	49,416	50,415	11,608	23 %
Interest income	15,173	—	15,173				
Total	\$ 192,259	298,077	(105,818)				

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus ⁽¹⁾
Year ended June 30, 2021

	Average annual rates per academic year ⁽⁵⁾⁽⁶⁾								
	Residence Halls			Apartments			Suites		
	Single	Double	Triple	Single	Double	Triple	Single	Double	Triple
California State University, Bakersfield	\$ 7,500	9,000	12,600	—	—	—	—	—	—
California State University Channel Islands	10,820	9,740	—	12,670	14,070	—	11,660	11,060	—
California State University, Chico	9,933	8,201	6,917	9,933	8,201	6,917	—	—	—
California State University, Dominguez Hills	10,500	9,000	8,250	11,500	10,500	—	—	—	—
California State University, East Bay	—	—	—	11,221	9,743	—	—	9,367	—
California State University, Fullerton	—	12,540	—	13,362	10,080	—	—	—	—
California State Polytechnic University, Humboldt	8,216	6,638	4,938	8,216	6,638	—	—	—	—
California State University, Long Beach	9,360	8,360	7,360	—	—	—	—	—	—
California State University, Los Angeles	—	—	—	12,426	9,598	7,728	10,825	—	—
California State University Maritime Academy	8,010	6,158	—	—	—	—	—	—	—
California State University, Northridge	—	—	—	12,449	7,316	—	—	7,050	—
California State Polytechnic University, Pomona	11,988	10,461	9,552	—	—	—	—	—	—
California State University, Sacramento	8,352	7,744	5,250	9,840	8,610	—	9,219	8,306	—
California State University, San Bernardino	—	—	—	10,352	—	11,272	9,652	—	—
San Diego State University	—	—	—	14,176	12,328	—	14,176	12,328	—
San Francisco State University ⁽⁷⁾	—	—	—	10,872	9,720	10,656	—	—	—
San José State University	10,329	9,061	7,602	14,456	11,491	10,455	17,197	11,467	10,023
California Polytechnic State University, San Luis Obispo	9,441	—	—	9,441	—	—	—	—	—
Sonoma State University	10,456	7,668	5,594	12,518	8,626	5,858	—	—	—
California State University, Stanislaus	8,090	—	4,936	8,620	7,150	—	—	—	—
Average annual rates	\$ 9,461	\$ 8,714	\$ 7,300	\$ 11,378	\$ 9,577	\$ 8,814	\$ 12,122	\$ 9,930	\$ 10,023

⁽¹⁾ Housing facilities at the Fresno, Monterey Bay and San Marcos campuses are operated by Auxiliary Organizations.

⁽²⁾ This column reflects capacity adjusted for increase or decrease in permanent conversions and temporary adjustments.

⁽³⁾ The systemwide operational capacity does not include 228 beds and 6 apartment units, of which 61 beds and 4 units were occupied by faculty and staff. Additionally, it does not include 2 student apartment units, which were both vacant.

⁽⁴⁾ Percent (%) of spaces occupied is based on Operational Capacity. The percentages represent the average academic year occupancy, which was adversely impacted by the COVID-19 pandemic.

⁽⁵⁾ This section primarily reflects an average of the more traditional rates to students. Each campus has different rates depending on accommodations, such as super doubles, cluster occupancy, etc.

⁽⁶⁾ Represent pre-COVID-19 approved rates. However, certain room configurations and rates were eliminated to prevent the spread of COVID-19.

⁽⁷⁾ The operational capacity does not include 1,336 apartment units, of which 653 were occupied by students, faculty and staff. The monthly rates for the one-bedroom, two-bedroom or three-bedroom units (not bed-spaces) vary between \$2,250 and \$4,325.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Statement of Insurance Coverage

Year ended June 30, 2021

(In thousands)

Expiration date ⁽¹⁾	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
Property Insurance:				
July 1, 2021	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	Multiple
July 1, 2021	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	Multiple
General Liability Insurance:				
July 1, 2021	Bodily Injury & Property Damage Liability (Primary)	5,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-2021
July 1, 2021	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 5,000	Argonaut Insurance Company	2902105-02
July 1, 2021	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 10,000	Everest Reinsurance Company	FC10044208-2020
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 15,000	Allied World National Assurance Company	0312-4050
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 25,000	Ironshore Specialty Insurance Company	000541310
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 30,000	Hallmark Specialty Insurance Company	77PEF2000F0
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 35,000	Gemini Insurance Company	CEX09600368-07
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 45,000	Hamilton Re	CX20-6549
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 50,000	Multiple	Multiple
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	15,000 xs 75,000	Multiple	Multiple
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 90,000	CSURMA	Self-insured
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	40,000 xs 100,000	Multiple	Multiple
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 140,000	XL Insurance Company SE	IE00023784LI20A
July 1, 2021	Bodily Injury & Property Damage Liability (Excess)	35,000 xs 165,000	Multiple	Multiple
Workers' Compensation and Employer's Liability Insurance:				
July 1, 2021	Workers' Compensation and Employer's Liability	2,500	PRISM	PRISM-PE 20 EWC-143
July 1, 2021	Workers' Compensation and Employer's Liability	in excess of 2,500 up to California Workers' Compensation Statutes	Safety National Casualty Corporation	SP 4062939

⁽¹⁾ Additional insurance policies are maintained for the period from July 1, 2021 through July 1, 2022. These policies provide the same coverage indicated above.

See accompanying independent auditors' report.

CAMPUSES' SUPPLEMENTAL INFORMATION



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 325	\$ 17,124	\$ 17,449
Short-term investments	89,328	55	89,383
Accounts receivable, net	12,257	3,145	15,402
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,977	1,977
Prepaid expenses and other current assets	242	11	253
Total current assets	<u>102,152</u>	<u>22,312</u>	<u>124,464</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	140	—	140
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,241	—	1,241
Pledges receivable, net	—	3,155	3,155
Endowment investments	—	36,235	36,235
Other long-term investments	13,454	8,546	22,000
Capital assets, net	144,162	2,217	146,379
Other assets	—	687	687
Total noncurrent assets	<u>158,997</u>	<u>50,840</u>	<u>209,837</u>
Total assets	<u>261,149</u>	<u>73,152</u>	<u>334,301</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>66,619</u>	<u>—</u>	<u>66,619</u>
Liabilities			
Current liabilities:			
Accounts payable	4,908	2,206	7,114
Accrued salaries and benefits	10,813	160	10,973
Accrued compensated absences, current portion	2,127	40	2,167
Unearned revenues	2,720	830	3,550
Capital lease obligations, current portion	192	—	192
Long-term debt obligations, current portion	1,250	—	1,250
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	31	—	31
Other liabilities	1,450	2,364	3,814
Total current liabilities	<u>23,491</u>	<u>5,600</u>	<u>29,091</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,967	—	4,967
Unearned revenues	—	2,051	2,051
Grants refundable	1,839	—	1,839
Capital lease obligations, net of current portion	249	—	249
Long-term debt obligations, net of current portion	47,232	—	47,232
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	311,946	815	312,761
Net pension liability	185,770	—	185,770
Other liabilities	4	—	4
Total noncurrent liabilities	<u>552,007</u>	<u>2,866</u>	<u>554,873</u>
Total liabilities	<u>575,498</u>	<u>8,466</u>	<u>583,964</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>45,060</u>	<u>—</u>	<u>45,060</u>
Net Position			
Net position:			
Net investment in capital assets	96,380	2,217	98,597
Restricted for:			
Nonexpendable – endowments	—	22,746	22,746
Expendable:			
Scholarships and fellowships	134	7,549	7,683
Research	—	—	—
Loans	206	—	206
Capital projects	793	—	793
Debt service	3	—	3
Others	2,645	15,112	17,757
Unrestricted	(392,951)	17,062	(375,889)
Total net position	<u>\$ (292,790)</u>	<u>\$ 64,686</u>	<u>\$ (228,104)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$53,707)	\$ 41,741	\$ —	\$ —	\$ 41,741
Grants and contracts, noncapital:				
Federal	972	8,545	—	9,517
State	47	677	—	724
Local	—	51	—	51
Nongovernmental	96	40	—	136
Sales and services of educational activities	901	—	—	901
Sales and services of auxiliary enterprises (net of scholarship allowances of \$185)	1,249	—	—	1,249
Other operating revenues	281	15,215	(208)	15,288
Total operating revenues	<u>45,287</u>	<u>24,528</u>	<u>(208)</u>	<u>69,607</u>
Expenses:				
Operating expenses:				
Instruction	80,737	1,823	(454)	82,106
Research	365	1,155	(94)	1,426
Public service	299	653	(127)	825
Academic support	24,082	1,842	(233)	25,691
Student services	38,786	10,552	(312)	49,026
Institutional support	27,102	6,645	(2)	33,745
Operation and maintenance of plant	17,933	103	(99)	17,937
Student grants and scholarships	43,713	3,312	—	47,025
Auxiliary enterprise expenses	(2,542)	—	—	(2,542)
Depreciation and amortization	9,921	345	—	10,266
Total operating expenses	<u>240,396</u>	<u>26,430</u>	<u>(1,321)</u>	<u>265,505</u>
Operating loss	<u>(195,109)</u>	<u>(1,902)</u>	<u>1,113</u>	<u>(195,898)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	91,188	—	—	91,188
Federal financial aid grants, noncapital	33,963	—	—	33,963
State financial aid grants, noncapital	27,433	—	—	27,433
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	21,927	—	—	21,927
Gifts, noncapital	1,260	6,312	—	7,572
Investment income, net	6,421	1,830	—	8,251
Endowment income, net	—	7,582	—	7,582
Interest expense	(1,890)	—	—	(1,890)
Other nonoperating revenues	1,901	186	(81)	2,006
Net nonoperating income	<u>182,203</u>	<u>15,910</u>	<u>(81)</u>	<u>198,032</u>
Income (loss) before other revenues	<u>(12,906)</u>	<u>14,008</u>	<u>1,032</u>	<u>2,134</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,033	—	(1,032)	1
Additions to permanent endowments	—	3,076	—	3,076
Increase (decrease) in net position	<u>(11,873)</u>	<u>17,084</u>	<u>—</u>	<u>5,211</u>
Net position:				
Net position at beginning of year	(280,917)	47,602	—	(233,315)
Net position at end of year	<u>\$ (292,790)</u>	<u>\$ 64,686</u>	<u>\$ —</u>	<u>\$ (228,104)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 37,887
Federal grants and contracts	729
State grants and contracts	72
Local grants and contracts	—
Nongovernmental grants and contracts	242
Payments to suppliers	(23,512)
Payments to employees	(84,127)
Payments for benefits	(43,697)
Payments to students	(43,449)
Collections of student loans	17
Sales and services of educational activities	901
Sales and services of auxiliary enterprises	653
Other receipts	1,405
Net cash used in operating activities	<u>(152,879)</u>
Cash flows from noncapital financing activities:	
State appropriations	83,850
Federal financial aid grants	33,963
State financial aid grants	27,433
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	18,784
Gifts and grants received for other than capital purposes	1,260
Federal loan program receipts	28,913
Federal loan program disbursements	(28,883)
Monies received on behalf of others	4,674
Monies disbursed on behalf of others	(4,657)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	1,009
Net cash provided by noncapital financing activities	<u>166,346</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	997
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	413
Proceeds from sale of capital assets	—
Acquisition of capital assets	(3,554)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,367)
Interest paid on capital debt and leases	(1,842)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(5,353)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 313,834
Purchases of investments	(324,117)
Investment income proceeds	2,488
Net cash used in investing activities	(7,795)
Net increase in cash and cash equivalents	319
Cash and cash equivalents at beginning of year	6
Cash and cash equivalents at end of year	325
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	325
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	325
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	(195,109)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,921
Change in assets and liabilities:	
Accounts receivable, net	(2,122)
Student loans receivable, net	(20)
Pledges receivable, net	—
Prepaid expenses and other current assets	57
Other assets	32
Deferred outflows of resources	9,999
Accounts payable	1,717
Accrued salaries and benefits	1,708
Accrued compensated absences	745
Unearned revenues	251
Depository accounts	—
Total other postemployment benefits liability	20,258
Net pension liability	4,363
Other liabilities	(66)
Deferred inflows of resources	(4,613)
Net cash used in operating activities	(152,879)
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	7,339
Other assets paid through long-term debt	—
Amortization of net bond premium	298
Change in accrued capital asset purchases	664

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,600
Payments from discretely presented component units for other than salaries	7,177
Payments to discretely presented component units for services, space, and programs	6,077
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	2,743
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(767)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	108
Payments to the Office of the Chancellor for state pro rata charges	46
Accounts receivable from the Office of the Chancellor	484
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	1
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	966
Other interagency payments (receipts) for services, space, and programs	(101)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 4	\$ 3,275	\$ 3,279
Short-term investments	140,667	1,157	141,824
Accounts receivable, net	9,514	1,286	10,800
Capital lease receivable, current portion	1,335	—	1,335
Notes receivable, current portion	1,915	174	2,089
Pledges receivable, net	—	1,013	1,013
Prepaid expenses and other current assets	1,338	82	1,420
Total current assets	<u>154,773</u>	<u>6,987</u>	<u>161,760</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	33,620	33,620
Accounts receivable, net	74	—	74
Capital lease receivable, net of current portion	33,170	—	33,170
Notes receivable, net of current portion	46,670	—	46,670
Student loans receivable, net	21	—	21
Pledges receivable, net	—	490	490
Endowment investments	—	18,822	18,822
Other long-term investments	1,244	8,889	10,133
Capital assets, net	334,940	34,687	369,627
Other assets	5,239	4,953	10,192
Total noncurrent assets	<u>421,358</u>	<u>101,461</u>	<u>522,819</u>
Total assets	<u>576,131</u>	<u>108,448</u>	<u>684,579</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>54,966</u>	<u>—</u>	<u>54,966</u>
Liabilities			
Current liabilities:			
Accounts payable	3,008	1,715	4,723
Accrued salaries and benefits	652	51	703
Accrued compensated absences, current portion	2,096	18	2,114
Unearned revenues	2,757	209	2,966
Capital lease obligations, current portion	—	1,335	1,335
Long-term debt obligations, current portion	6,470	1,929	8,399
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	140	140
Other liabilities	2,476	675	3,151
Total current liabilities	<u>17,459</u>	<u>6,072</u>	<u>23,531</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,144	182	3,326
Unearned revenues	—	—	—
Grants refundable	—	—	—
Capital lease obligations, net of current portion	—	35,575	35,575
Long-term debt obligations, net of current portion	202,767	46,831	249,598
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	217,378	—	217,378
Net pension liability	162,747	—	162,747
Other liabilities	429	—	429
Total noncurrent liabilities	<u>586,465</u>	<u>82,588</u>	<u>669,053</u>
Total liabilities	<u>603,924</u>	<u>88,660</u>	<u>692,584</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>31,765</u>	<u>—</u>	<u>31,765</u>
Net Position			
Net position:			
Net investment in capital assets	216,358	2,487	218,845
Restricted for:			
Nonexpendable – endowments	—	10,781	10,781
Expendable:			
Scholarships and fellowships	—	1,058	1,058
Research	—	448	448
Loans	44	—	44
Capital projects	55	12,275	12,330
Debt service	10	5,000	5,010
Others	1,391	16,246	17,637
Unrestricted	(222,450)	(28,507)	(250,957)
Total net position	<u>\$ (4,592)</u>	<u>\$ 19,788</u>	<u>\$ 15,196</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,738)	\$ 28,972	\$ —	\$ —	\$ 28,972
Grants and contracts, noncapital:				
Federal	3,692	—	—	3,692
State	1,082	—	—	1,082
Local	—	—	—	—
Nongovernmental	402	—	10	412
Sales and services of educational activities	159	—	—	159
Sales and services of auxiliary enterprises (net of scholarship allowances of \$286)	2,576	—	—	2,576
Other operating revenues	4,400	12,937	—	17,337
Total operating revenues	<u>41,283</u>	<u>12,937</u>	<u>10</u>	<u>54,230</u>
Expenses:				
Operating expenses:				
Instruction	55,450	310	10	55,770
Research	2,794	270	—	3,064
Public service	222	26	—	248
Academic support	26,067	220	22	26,309
Student services	18,704	4,955	5	23,664
Institutional support	19,031	748	—	19,779
Operation and maintenance of plant	18,357	19	—	18,376
Student grants and scholarships	27,010	693	—	27,703
Auxiliary enterprise expenses	7,690	10,297	—	17,987
Depreciation and amortization	15,483	1,577	—	17,060
Total operating expenses	<u>190,808</u>	<u>19,115</u>	<u>37</u>	<u>209,960</u>
Operating loss	<u>(149,525)</u>	<u>(6,178)</u>	<u>(27)</u>	<u>(155,730)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	89,801	—	—	89,801
Federal financial aid grants, noncapital	17,871	—	—	17,871
State financial aid grants, noncapital	15,496	—	—	15,496
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	347	—	347
Other federal nonoperating grants, noncapital	18,383	699	—	19,082
Gifts, noncapital	8	17,296	—	17,304
Investment income, net	8,527	5,559	—	14,086
Endowment income (loss), net	—	—	—	—
Interest expense	(8,410)	(4,535)	—	(12,945)
Other nonoperating revenues	11,161	7,812	—	18,973
Net nonoperating income	<u>152,837</u>	<u>27,178</u>	<u>—</u>	<u>180,015</u>
Income before other revenues	<u>3,312</u>	<u>21,000</u>	<u>(27)</u>	<u>24,285</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	10	—	27	37
Additions to permanent endowments	—	351	—	351
Increase in net position	<u>3,322</u>	<u>21,351</u>	<u>—</u>	<u>24,673</u>
Net position:				
Net position at beginning of year	(7,914)	(1,563)	—	(9,477)
Net position at end of year	<u>\$ (4,592)</u>	<u>\$ 19,788</u>	<u>\$ —</u>	<u>\$ 15,196</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 28,041
Federal grants and contracts	3,755
State grants and contracts	979
Local grants and contracts	5
Nongovernmental grants and contracts	836
Payments to suppliers	(23,116)
Payments to employees	(73,853)
Payments for benefits	(35,171)
Payments to students	(27,835)
Collections of student loans	5
Sales and services of educational activities	159
Sales and services of auxiliary enterprises	4,584
Other receipts	1,056
Net cash used in operating activities	<u>(120,555)</u>
Cash flows from noncapital financing activities:	
State appropriations	85,181
Federal financial aid grants	17,938
State financial aid grants	15,470
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	13,368
Gifts and grants received for other than capital purposes	8
Federal loan program receipts	17,180
Federal loan program disbursements	(17,152)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(3,095)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	1,820
Interest collections on notes receivable	2,475
Other noncapital financing activities	10,930
Net cash provided by noncapital financing activities	<u>144,123</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	12,600
State appropriations	155
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	38
Proceeds from sale of capital assets	217
Acquisition of capital assets	(4,419)
Transfers to escrow agent	(12,563)
Principal paid on capital debt and leases	(3,105)
Interest paid on capital debt and leases	(13,034)
Principal collection on capital leases	1,275
Interest collection on capital leases	1,618
Net cash used in capital and related financing activities	<u>(17,218)</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 232,049
Purchases of investments	(242,684)
Investment income proceeds	4,285
Net cash used in investing activities	(6,350)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	4
Cash and cash equivalents at end of year	4
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	4
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	4
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	(149,525)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,483
Change in assets and liabilities:	
Accounts receivable, net	2,453
Student loans receivable, net	5
Pledges receivable, net	—
Prepaid expenses and other current assets	(72)
Other assets	(586)
Deferred outflows of resources	7,799
Accounts payable	(3,323)
Accrued salaries and benefits	(124)
Accrued compensated absences	(42)
Unearned revenues	610
Depository accounts	—
Total other postemployment benefits liability	9,479
Net pension liability	2,453
Other liabilities	(865)
Deferred inflows of resources	(4,300)
Net cash used in operating activities	(120,555)
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	4,620
Other assets paid through long-term debt	—
Amortization of net bond premium	910
Change in accrued capital asset purchases	138

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 564
Payments from discretely presented component units for other than salaries	8,114
Payments to discretely presented component units for services, space, and programs	6,589
Gifts in kind from discretely presented component units	20
Gifts (cash or assets) from discretely presented component units	17
Accounts receivable from discretely presented component units	501
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(322)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	160
Payments to the Office of the Chancellor for state pro rata charges	57
Accounts receivable from the Office of the Chancellor	155
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	6
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	820
Other interagency payments (receipts) for services, space, and programs	(7)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	\$ 15,117	\$ 15,123
Short-term investments	144,458	45,449	189,907
Accounts receivable, net	8,536	12,307	20,843
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,472	2,472
Prepaid expenses and other current assets	2,529	621	3,150
Total current assets	<u>155,529</u>	<u>75,966</u>	<u>231,495</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	739	739
Accounts receivable, net	699	189	888
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,293	—	1,293
Pledges receivable, net	—	4,394	4,394
Endowment investments	—	86,519	86,519
Other long-term investments	50,310	20,282	70,592
Capital assets, net	359,832	15,168	375,000
Other assets	16	863	879
Total noncurrent assets	<u>412,150</u>	<u>128,154</u>	<u>540,304</u>
Total assets	<u>567,679</u>	<u>204,120</u>	<u>771,799</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>126,024</u>	<u>1,125</u>	<u>127,149</u>
Liabilities			
Current liabilities:			
Accounts payable	9,889	5,285	15,174
Accrued salaries and benefits	14,554	2,820	17,374
Accrued compensated absences, current portion	3,857	870	4,727
Unearned revenues	5,803	3,723	9,526
Capital lease obligations, current portion	707	—	707
Long-term debt obligations, current portion	4,815	115	4,930
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	2	—	2
Other liabilities	1,010	931	1,941
Total current liabilities	<u>40,637</u>	<u>13,744</u>	<u>54,381</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,813	339	5,152
Unearned revenues	—	4,498	4,498
Grants refundable	2,946	—	2,946
Capital lease obligations, net of current portion	2,833	—	2,833
Long-term debt obligations, net of current portion	121,734	2,034	123,768
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	683,718	1,171	684,889
Net pension liability	299,260	—	299,260
Other liabilities	—	594	594
Total noncurrent liabilities	<u>1,115,304</u>	<u>8,636</u>	<u>1,123,940</u>
Total liabilities	<u>1,155,941</u>	<u>22,380</u>	<u>1,178,321</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>97,768</u>	<u>829</u>	<u>98,597</u>
Net Position			
Net position:			
Net investment in capital assets	238,976	9,820	248,796
Restricted for:			
Nonexpendable – endowments	—	81,549	81,549
Expendable:			
Scholarships and fellowships	906	2,251	3,157
Research	—	3,213	3,213
Loans	645	—	645
Capital projects	196	4,721	4,917
Debt service	12	—	12
Others	—	28,142	28,142
Unrestricted	(800,741)	52,340	(748,401)
Total net position	<u>\$ (560,006)</u>	<u>\$ 182,036</u>	<u>\$ (377,970)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2021
(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$61,903)	\$ 75,874	\$ —	\$ —	\$ 75,874
Grants and contracts, noncapital:				
Federal	—	28,002	—	28,002
State	9	7,930	—	7,939
Local	—	1,421	—	1,421
Nongovernmental	—	2,211	—	2,211
Sales and services of educational activities	10	2,282	—	2,292
Sales and services of auxiliary enterprises (net of scholarship allowances of \$360)	1,552	5,536	—	7,088
Other operating revenues	5,888	10,008	—	15,896
Total operating revenues	<u>83,333</u>	<u>57,390</u>	<u>—</u>	<u>140,723</u>
Expenses:				
Operating expenses:				
Instruction	107,097	2,518	—	109,615
Research	1,084	3,186	(20)	4,250
Public service	954	25,364	(34)	26,284
Academic support	38,912	2,726	(474)	41,164
Student services	51,844	6,925	(629)	58,140
Institutional support	33,211	8,184	(1,270)	40,125
Operation and maintenance of plant	38,455	3,584	(17)	42,022
Student grants and scholarships	48,958	4,155	(1,818)	51,295
Auxiliary enterprise expenses	13,567	4,663	—	18,230
Depreciation and amortization	18,366	1,903	—	20,269
Total operating expenses	<u>352,448</u>	<u>63,208</u>	<u>(4,262)</u>	<u>411,394</u>
Operating loss	<u>(269,115)</u>	<u>(5,818)</u>	<u>4,262</u>	<u>(270,671)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	148,613	—	—	148,613
Federal financial aid grants, noncapital	36,231	—	—	36,231
State financial aid grants, noncapital	28,018	—	—	28,018
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	4,417	—	(2,264)	2,153
Other federal nonoperating grants, noncapital	43,803	—	—	43,803
Gifts, noncapital	1,045	8,963	(1,045)	8,963
Investment income, net	11,577	7,491	—	19,068
Endowment income, net	—	21,343	—	21,343
Interest expense	(4,788)	(73)	—	(4,861)
Other nonoperating revenues	21,558	2,141	—	23,699
Net nonoperating income	<u>290,474</u>	<u>39,865</u>	<u>(3,309)</u>	<u>327,030</u>
Income before other revenues	21,359	34,047	953	56,359
State appropriations, capital	—	—	—	—
Grants and gifts, capital	959	420	(953)	426
Additions to permanent endowments	—	5,704	—	5,704
Increase in net position	<u>22,318</u>	<u>40,171</u>	<u>—</u>	<u>62,489</u>
Net position:				
Net position at beginning of year	(582,324)	141,865	—	(440,459)
Net position at end of year	<u>\$ (560,006)</u>	<u>182,036</u>	<u>—</u>	<u>(377,970)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 77,533
Federal grants and contracts	—
State grants and contracts	2
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(63,127)
Payments to employees	(122,426)
Payments for benefits	(66,510)
Payments to students	(49,747)
Collections of student loans	179
Sales and services of educational activities	10
Sales and services of auxiliary enterprises	1,340
Other receipts	6,072
Net cash used in operating activities	<u>(216,674)</u>
Cash flows from noncapital financing activities:	
State appropriations	132,717
Federal financial aid grants	36,231
State financial aid grants	28,159
Nongovernmental and other financial aid grants	4,417
Other federal nonoperating grants	42,877
Gifts and grants received for other than capital purposes	957
Federal loan program receipts	40,811
Federal loan program disbursements	(40,857)
Monies received on behalf of others	2,767
Monies disbursed on behalf of others	(2,768)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	27,175
Net cash provided by noncapital financing activities	<u>272,486</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	2,145
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,738
Proceeds from sale of capital assets	23
Acquisition of capital assets	(26,267)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(5,259)
Interest paid on capital debt and leases	(6,153)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(33,773)</u>

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 409,643
Purchases of investments	(435,694)
Investment income proceeds	4,010
Net cash used in investing activities	(22,041)
Net decrease in cash and cash equivalents	(2)
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 6</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 6
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 6</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (269,115)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,366
Change in assets and liabilities:	
Accounts receivable, net	(804)
Student loans receivable, net	4
Pledges receivable, net	—
Prepaid expenses and other current assets	304
Other assets	26
Deferred outflows of resources	2,925
Accounts payable	880
Accrued salaries and benefits	(335)
Accrued compensated absences	497
Unearned revenues	3,066
Depository accounts	—
Total other postemployment benefits liability	37,280
Net pension liability	677
Other liabilities	(601)
Deferred inflows of resources	(9,844)
Net cash used in operating activities	<u>\$ (216,674)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 15,896
Other assets paid through long-term debt	—
Amortization of net bond premium	836
Change in accrued capital asset purchases	4,412

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,455
Payments from discretely presented component units for other than salaries	5,191
Payments to discretely presented component units for services, space, and programs	15,088
Gifts in kind from discretely presented component units	752
Gifts (cash or assets) from discretely presented component units	1,247
Accounts receivable from discretely presented component units	280
Other amounts receivable from discretely presented component units	220
Accounts payable to discretely presented component units	(267)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	102
Payments to the Office of the Chancellor for state pro rata charges	43
Accounts receivable from the Office of the Chancellor	4,610
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 allocation received	1,617
Other interagency payments (receipts) for services, space, and programs	112

See accompanying independent auditors' report.



NATION'S LARGEST

four-year public
university



CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 3	4,365	4,368
Short-term investments	91,893	876	92,769
Accounts receivable, net	16,388	7,187	23,575
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	122	122
Pledges receivable, net	—	—	—
Prepaid expenses and other current assets	418	467	885
Total current assets	<u>108,702</u>	<u>13,017</u>	<u>121,719</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	6,333	6,333
Accounts receivable, net	—	352	352
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	1,378	1,378
Student loans receivable, net	552	—	552
Pledges receivable, net	—	—	—
Endowment investments	—	18,286	18,286
Other long-term investments	9,444	5,960	15,404
Capital assets, net	356,759	1,640	358,399
Other assets	17	104	121
Total noncurrent assets	<u>366,772</u>	<u>34,053</u>	<u>400,825</u>
Total assets	<u>475,474</u>	<u>47,070</u>	<u>522,544</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>88,182</u>	<u>1,070</u>	<u>89,252</u>
Liabilities			
Current liabilities:			
Accounts payable	16,302	808	17,110
Accrued salaries and benefits	12,527	670	13,197
Accrued compensated absences, current portion	2,860	407	3,267
Unearned revenues	8,906	291	9,197
Capital lease obligations, current portion	945	—	945
Long-term debt obligations, current portion	1,405	1,166	2,571
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	508	—	508
Other liabilities	4,157	250	4,407
Total current liabilities	<u>47,610</u>	<u>3,592</u>	<u>51,202</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	7,152	38	7,190
Unearned revenues	—	—	—
Grants refundable	403	—	403
Capital lease obligations, net of current portion	2,354	—	2,354
Long-term debt obligations, net of current portion	69,498	1,412	70,910
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	419,521	2,321	421,842
Net pension liability	248,173	647	248,820
Other liabilities	—	—	—
Total noncurrent liabilities	<u>747,101</u>	<u>4,418</u>	<u>751,519</u>
Total liabilities	<u>794,711</u>	<u>8,010</u>	<u>802,721</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>60,576</u>	<u>643</u>	<u>61,219</u>
Net Position			
Net position:			
Net investment in capital assets	284,028	1,640	285,668
Restricted for:			
Nonexpendable – endowments	—	18,223	18,223
Expendable:			
Scholarships and fellowships	85	7,649	7,734
Research	—	—	—
Loans	427	—	427
Capital projects	1,134	—	1,134
Debt service	11	—	11
Others	0	352	352
Unrestricted	(577,316)	11,623	(565,693)
Total net position	<u>\$ (291,631)</u>	<u>39,487</u>	<u>(252,144)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$76,971)	\$ 57,727	—	—	57,727
Grants and contracts, noncapital:				
Federal	—	11,228	—	11,228
State	—	617	—	617
Local	—	—	—	—
Nongovernmental	—	134	—	134
Sales and services of educational activities	83	—	—	83
Sales and services of auxiliary enterprises (net of scholarship allowances of \$403)	1,070	1,529	—	2,599
Other operating revenues	4,848	6,857	—	11,705
Total operating revenues	<u>63,728</u>	<u>20,365</u>	<u>—</u>	<u>84,093</u>
Expenses:				
Operating expenses:				
Instruction	125,213	3,625	—	128,838
Research	34	3,515	—	3,549
Public service	2,383	—	—	2,383
Academic support	36,548	2,285	—	38,833
Student services	35,161	3,951	(444)	38,668
Institutional support	34,305	2,149	—	36,454
Operation and maintenance of plant	26,316	85	(200)	26,201
Student grants and scholarships	54,279	747	(995)	54,031
Auxiliary enterprise expenses	6,328	8,712	(1,500)	13,540
Depreciation and amortization	13,255	447	—	13,702
Total operating expenses	<u>333,822</u>	<u>25,516</u>	<u>(3,139)</u>	<u>356,199</u>
Operating loss	<u>(270,094)</u>	<u>(5,151)</u>	<u>3,139</u>	<u>(272,106)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	121,757	—	—	121,757
Federal financial aid grants, noncapital	51,481	—	—	51,481
State financial aid grants, noncapital	36,896	—	—	36,896
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	24,183	—	—	24,183
Gifts, noncapital	1,439	3,748	(1,439)	3,748
Investment income, net	6,930	1,317	—	8,247
Endowment income, net	—	3,368	—	3,368
Interest expense	(2,688)	(27)	—	(2,715)
Other nonoperating revenues	33,049	51	—	33,100
Net nonoperating income	<u>273,047</u>	<u>8,457</u>	<u>(1,439)</u>	<u>280,065</u>
Income before other revenues	2,953	3,306	1,700	7,959
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,700	—	(1,700)	—
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>4,653</u>	<u>3,306</u>	<u>—</u>	<u>7,959</u>
Net position:				
Net position at beginning of year	(296,284)	36,181	—	(260,103)
Net position at end of year	<u>(291,631)</u>	<u>39,487</u>	<u>—</u>	<u>(252,144)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 57,671
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(29,974)
Payments to employees	(119,034)
Payments for benefits	(58,198)
Payments to students	(54,261)
Collections of student loans	4
Sales and services of educational activities	83
Sales and services of auxiliary enterprises	954
Other receipts	10,798
Net cash used in operating activities	<u>(191,957)</u>
Cash flows from noncapital financing activities:	
State appropriations	111,968
Federal financial aid grants	51,802
State financial aid grants	35,054
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	24,183
Gifts and grants received for other than capital purposes	1,439
Federal loan program receipts	39,361
Federal loan program disbursements	(39,147)
Monies received on behalf of others	2,151
Monies disbursed on behalf of others	(1,796)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	32,535
Net cash provided by noncapital financing activities	<u>257,550</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,700
Proceeds from sale of capital assets	—
Acquisition of capital assets	(48,339)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,584)
Interest paid on capital debt and leases	(4,885)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(54,108)</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 356,123
Purchases of investments	(372,819)
Investment income proceeds	3,136
Net cash used in investing activities	(13,560)
Net decrease in cash and cash equivalents	(2,075)
Cash and cash equivalents at beginning of year	2,078
Cash and cash equivalents at end of year	<u>\$ 3</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 3
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 3</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (270,094)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	13,255
Change in assets and liabilities:	
Accounts receivable, net	(980)
Student loans receivable, net	(50)
Pledges receivable, net	—
Prepaid expenses and other current assets	49
Other assets	33
Deferred outflows of resources	11,395
Accounts payable	6,182
Accrued salaries and benefits	408
Accrued compensated absences	1,134
Unearned revenues	1,299
Depository accounts	—
Total other postemployment benefits liability	33,155
Net pension liability	16,450
Other liabilities	811
Deferred inflows of resources	(5,004)
Net cash used in operating activities	<u>\$ (191,957)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 9,790
Other assets paid through long-term debt	—
Amortization of net bond premium	501
Change in accrued capital asset purchases	979

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,816
Payments from discretely presented component units for other than salaries	4,292
Payments to discretely presented component units for services, space, and programs	4,669
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	138
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(5,073)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	137
Payments to the Office of the Chancellor for state pro rata charges	98
Accounts receivable from the Office of the Chancellor	5,081
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 allocation received	1,391
Other interagency payments (receipts) for services, space, and programs	81

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 18	1,738	1,756
Short-term investments	136,002	30,527	166,529
Accounts receivable, net	17,358	3,899	21,257
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	396	396
Prepaid expenses and other current assets	813	0	813
Total current assets	<u>154,191</u>	<u>36,560</u>	<u>190,751</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	834	—	834
Pledges receivable, net	—	426	426
Endowment investments	—	14,647	14,647
Other long-term investments	7,667	—	7,667
Capital assets, net	249,612	3,963	253,575
Other assets	20	—	20
Total noncurrent assets	<u>258,133</u>	<u>19,036</u>	<u>277,169</u>
Total assets	<u>412,324</u>	<u>55,596</u>	<u>467,920</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>104,286</u>	<u>1,594</u>	<u>105,880</u>
Liabilities			
Current liabilities:			
Accounts payable	12,965	2,361	15,326
Accrued salaries and benefits	14,363	29	14,392
Accrued compensated absences, current portion	4,838	64	4,902
Unearned revenues	11,117	2,932	14,049
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	3,195	265	3,460
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	49	—	49
Other liabilities	2,039	10	2,049
Total current liabilities	<u>48,566</u>	<u>5,661</u>	<u>54,227</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,534	—	4,534
Unearned revenues	—	—	—
Grants refundable	951	—	951
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	86,312	998	87,310
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	549,576	2,825	552,401
Net pension liability	272,545	7,029	279,574
Other liabilities	—	—	—
Total noncurrent liabilities	<u>913,918</u>	<u>10,852</u>	<u>924,770</u>
Total liabilities	<u>962,484</u>	<u>16,513</u>	<u>978,997</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>78,841</u>	<u>618</u>	<u>79,459</u>
Net Position			
Net position:			
Net investment in capital assets	163,048	2,691	165,739
Restricted for:			
Nonexpendable – endowments	—	14,647	14,647
Expendable:			
Scholarships and fellowships	1,724	3,839	5,563
Research	—	—	—
Loans	577	—	577
Capital projects	322	364	686
Debt service	6	—	6
Others	3,419	3,462	6,881
Unrestricted	(693,811)	15,056	(678,755)
Total net position	<u>\$ (524,715)</u>	<u>40,059</u>	<u>(484,656)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$57,539)	\$ 83,481	—	—	83,481
Grants and contracts, noncapital:				
Federal	—	12,255	—	12,255
State	—	1,193	—	1,193
Local	70	—	—	70
Nongovernmental	—	1,419	—	1,419
Sales and services of educational activities	9	—	—	9
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,231)	2,408	—	—	2,408
Other operating revenues	7,898	2,093	—	9,991
Total operating revenues	<u>93,866</u>	<u>16,960</u>	<u>—</u>	<u>110,826</u>
Expenses:				
Operating expenses:				
Instruction	104,906	1,282	—	106,188
Research	1,777	4,348	—	6,125
Public service	2,614	7,360	—	9,974
Academic support	54,048	1,014	—	55,062
Student services	22,643	863	—	23,506
Institutional support	20,848	—	—	20,848
Operation and maintenance of plant	27,221	—	—	27,221
Student grants and scholarships	34,850	308	—	35,158
Auxiliary enterprise expenses	9,812	6,066	(3,370)	12,508
Depreciation and amortization	13,728	190	—	13,918
Total operating expenses	<u>292,447</u>	<u>21,431</u>	<u>(3,370)</u>	<u>310,508</u>
Operating loss	<u>(198,581)</u>	<u>(4,471)</u>	<u>3,370</u>	<u>(199,682)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	114,297	—	—	114,297
Federal financial aid grants, noncapital	31,460	—	—	31,460
State financial aid grants, noncapital	23,207	—	—	23,207
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	870	—	—	870
Other federal nonoperating grants, noncapital	25,698	—	—	25,698
Gifts, noncapital	2,239	2,141	(3,116)	1,264
Investment income, net	9,441	7,628	—	17,069
Endowment income, net	—	118	—	118
Interest expense	(3,775)	(27)	—	(3,802)
Other nonoperating revenues	40,909	277	—	41,186
Net nonoperating revenues	<u>244,346</u>	<u>10,137</u>	<u>(3,116)</u>	<u>251,367</u>
Income before other revenues	<u>45,765</u>	<u>5,666</u>	<u>254</u>	<u>51,685</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	254	48	(254)	48
Additions to permanent endowments	—	693	—	693
Increase in net position	<u>46,019</u>	<u>6,407</u>	<u>—</u>	<u>52,426</u>
Net position:				
Net position at beginning of year	(570,734)	33,652	—	(537,082)
Net position at end of year	<u>\$ (524,715)</u>	<u>40,059</u>	<u>—</u>	<u>(484,656)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 79,797
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	57
Nongovernmental grants and contracts	—
Payments to suppliers	(55,276)
Payments to employees	(117,682)
Payments for benefits	(59,306)
Payments to students	(34,838)
Collections of student loans	13
Sales and services of educational activities	9
Sales and services of auxiliary enterprises	1,981
Other receipts	7,472
Net cash used in operating activities	<u>(177,773)</u>
Cash flows from noncapital financing activities:	
State appropriations	102,376
Federal financial aid grants	31,342
State financial aid grants	23,207
Nongovernmental and other financial aid grants	870
Other federal nonoperating grants	25,698
Gifts and grants received for other than capital purposes	2,239
Federal loan program receipts	43,649
Federal loan program disbursements	(43,770)
Monies received on behalf of others	316
Monies disbursed on behalf of others	(314)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	47,004
Net cash provided by noncapital financing activities	<u>232,617</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	254
Proceeds from sale of capital assets	3
Acquisition of capital assets	(42,567)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,824)
Interest paid on capital debt and leases	(4,234)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(50,368)</u>

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 397,370
Purchases of investments	(405,762)
Investment income proceeds	3,916
Net cash used in investing activities	(4,476)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	18
Cash and cash equivalents at end of year	<u>\$ 18</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 18
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 18</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (198,581)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	13,728
Change in assets and liabilities:	
Accounts receivable, net	(3,644)
Student loans receivable, net	(40)
Pledges receivable, net	—
Prepaid expenses and other current assets	233
Other assets	31
Deferred outflows of resources	(5,625)
Accounts payable	(1,801)
Accrued salaries and benefits	294
Accrued compensated absences	619
Unearned revenues	(105)
Depository accounts	—
Total other postemployment benefits liability	24,601
Net pension liability	2,039
Other liabilities	(481)
Deferred inflows of resources	(9,041)
Net cash used in operating activities	<u>\$ (177,773)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 11,921
Other assets paid through long-term debt	—
Amortization of net bond premium	601
Change in accrued capital asset purchases	1,481

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,809
Payments from discretely presented component units for other than salaries	2,115
Payments to discretely presented component units for services, space, and programs	2,044
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	3,370
Accounts receivable from discretely presented component units	3,090
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	226
Payments to the Office of the Chancellor for state pro rata charges	84
Accounts receivable from the Office of the Chancellor	12,883
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	7
Accounts payable to campuses other than the Office of the Chancellor	(17)
State lottery allocation received	1,363
Other interagency payments (receipts) for services, space, and programs	(194)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10	18,734	18,744
Short-term investments	88,036	97,221	185,257
Accounts receivable, net	22,079	22,760	44,839
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	298	6	304
Pledges receivable, net	—	7,308	7,308
Prepaid expenses and other current assets	865	1,977	2,842
Total current assets	<u>111,288</u>	<u>148,006</u>	<u>259,294</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	199	199
Accounts receivable, net	1,530	55	1,585
Capital lease receivable, net of current portion	40,857	—	40,857
Notes receivable, net of current portion	2,702	361	3,063
Student loans receivable, net	1,456	—	1,456
Pledges receivable, net	—	14,415	14,415
Endowment investments	654	204,533	205,187
Other long-term investments	59,460	17,195	76,655
Capital assets, net	234,637	68,779	303,416
Other assets	60	455	515
Total noncurrent assets	<u>341,356</u>	<u>305,992</u>	<u>647,348</u>
Total assets	<u>452,644</u>	<u>453,998</u>	<u>906,642</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>142,421</u>	<u>1,384</u>	<u>143,805</u>
Liabilities			
Current liabilities:			
Accounts payable	8,780	12,661	21,441
Accrued salaries and benefits	22,056	2,167	24,223
Accrued compensated absences, current portion	4,392	196	4,588
Unearned revenues	5,078	7,467	12,545
Capital lease obligations, current portion	2,211	0	2,211
Long-term debt obligations, current portion	3,030	2,422	5,452
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	267	128	395
Other liabilities	14,130	83	14,213
Total current liabilities	<u>59,944</u>	<u>25,124</u>	<u>85,068</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	7,733	518	8,251
Unearned revenues	—	611	611
Grants refundable	1,258	—	1,258
Capital lease obligations, net of current portion	26,326	46,079	72,405
Long-term debt obligations, net of current portion	105,520	7,625	113,145
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	3,811	3,811
Total other postemployment benefits liability	747,631	10,557	758,188
Net pension liability	389,492	3,176	392,668
Other liabilities	2,702	2,578	5,280
Total noncurrent liabilities	<u>1,280,662</u>	<u>74,955</u>	<u>1,355,617</u>
Total liabilities	<u>1,340,606</u>	<u>100,079</u>	<u>1,440,685</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>107,421</u>	<u>2,596</u>	<u>110,017</u>
Net Position			
Net position:			
Net investment in capital assets	162,301	17,702	180,003
Restricted for:			
Nonexpendable – endowments	654	201,780	202,434
Expendable:			
Scholarships and fellowships	160	8,142	8,302
Research	—	—	—
Loans	804	1,995	2,799
Capital projects	691	73	764
Debt service	789	—	789
Others	175	66,222	66,397
Unrestricted	(1,018,536)	56,793	(961,743)
Total net position	<u>\$ (852,962)</u>	<u>352,707</u>	<u>(500,255)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$114,804)	\$ 74,396	—	—	74,396
Grants and contracts, noncapital:				
Federal	61	20,968	—	21,029
State	292	10,505	—	10,797
Local	—	—	—	—
Nongovernmental	—	4,253	—	4,253
Sales and services of educational activities	199	—	—	199
Sales and services of auxiliary enterprises (net of scholarship allowances of \$868)	1,875	29,139	—	31,014
Other operating revenues	9,965	7,572	—	17,537
Total operating revenues	<u>86,788</u>	<u>72,437</u>	<u>—</u>	<u>159,225</u>
Expenses:				
Operating expenses:				
Instruction	160,421	12,457	—	172,878
Research	3,906	8,523	—	12,429
Public service	3,168	17,289	—	20,457
Academic support	44,853	934	(260)	45,527
Student services	62,648	185	—	62,833
Institutional support	49,896	459	—	50,355
Operation and maintenance of plant	41,402	995	—	42,397
Student grants and scholarships	97,750	11,912	(4,798)	104,864
Auxiliary enterprise expenses	5,321	50,577	(1,685)	54,213
Depreciation and amortization	15,153	5,159	—	20,312
Total operating expenses	<u>484,518</u>	<u>108,490</u>	<u>(6,743)</u>	<u>586,265</u>
Operating loss	<u>(397,730)</u>	<u>(36,053)</u>	<u>6,743</u>	<u>(427,040)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	188,590	—	—	188,590
Federal financial aid grants, noncapital	70,763	—	—	70,763
State financial aid grants, noncapital	61,074	—	—	61,074
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	331	—	(331)	—
Other federal nonoperating grants, noncapital	62,969	—	—	62,969
Gifts, noncapital	5,787	20,276	(5,786)	20,277
Investment income, net	10,942	13,430	—	24,372
Endowment income, net	20	45,580	—	45,600
Interest expense	(5,706)	(87)	—	(5,793)
Other nonoperating revenues	4,117	762	—	4,879
Net nonoperating revenues	<u>398,887</u>	<u>79,961</u>	<u>(6,117)</u>	<u>472,731</u>
Income before other revenues	<u>1,157</u>	<u>43,908</u>	<u>626</u>	<u>45,691</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	666	48	(626)	88
Additions to permanent endowments	—	12,262	—	12,262
Increase in net position	<u>1,823</u>	<u>56,218</u>	<u>—</u>	<u>58,041</u>
Net position:				
Net position at beginning of year	(854,785)	296,489	—	(558,296)
Net position at end of year	<u>\$ (852,962)</u>	<u>352,707</u>	<u>—</u>	<u>(500,255)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 69,585
Federal grants and contracts	61
State grants and contracts	457
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(69,676)
Payments to employees	(171,817)
Payments for benefits	(83,438)
Payments to students	(97,351)
Collections of student loans	45
Sales and services of educational activities	199
Sales and services of auxiliary enterprises	1,865
Other receipts	8,780
Net cash used in operating activities	<u>(341,290)</u>
Cash flows from noncapital financing activities:	
State appropriations	171,015
Federal financial aid grants	70,966
State financial aid grants	61,074
Nongovernmental and other financial aid grants	331
Other federal nonoperating grants	50,980
Gifts and grants received for other than capital purposes	5,787
Federal loan program receipts	42,952
Federal loan program disbursements	(43,135)
Monies received on behalf of others	139
Monies disbursed on behalf of others	(135)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	(3,000)
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	5,592
Net cash provided by noncapital financing activities	<u>362,566</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	64,507
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	666
Proceeds from sale of capital assets	10
Acquisition of capital assets	(22,031)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(22,788)
Interest paid on capital debt and leases	(5,815)
Principal collection on capital leases	2,333
Interest collection on capital leases	4,967
Net cash provided by capital and related financing activities	<u>21,849</u>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 666,270
Purchases of investments	(712,865)
Investment income proceeds	3,411
Net cash used in investing activities	(43,184)
Net decrease in cash and cash equivalents	(59)
Cash and cash equivalents at beginning of year	69
Cash and cash equivalents at end of year	<u>\$ 10</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 10
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 10</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (397,730)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,153
Change in assets and liabilities:	
Accounts receivable, net	(3,142)
Student loans receivable, net	(96)
Pledges receivable, net	—
Prepaid expenses and other current assets	(44)
Other assets	136
Deferred outflows of resources	15,850
Accounts payable	(2,264)
Accrued salaries and benefits	(11)
Accrued compensated absences	191
Unearned revenues	2,553
Depository accounts	37
Total other postemployment benefits liability	34,838
Net pension liability	4,613
Other liabilities	1,019
Deferred inflows of resources	(12,393)
Net cash used in operating activities	<u>\$ (341,290)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 17,575
Other assets paid through long-term debt	—
Amortization of net bond premium	310
Change in accrued capital asset purchases	8

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,550
Payments from discretely presented component units for other than salaries	625
Payments to discretely presented component units for services, space, and programs	11,353
Gifts in kind from discretely presented component units	360
Gifts (cash or assets) from discretely presented component units	3
Accounts receivable from discretely presented component units	2,936
Other amounts receivable from discretely presented component units	4,530
Accounts payable to discretely presented component units	(1,577)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	103
Payments to the Office of the Chancellor for state pro rata charges	47
Accounts receivable from the Office of the Chancellor	640
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 allocation received	2,534
Other interagency payments (receipts) for services, space, and programs	56

See accompanying independent auditors' report.



3.9 MILLION

living alumni
and counting



CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10	86,225	86,235
Short-term investments	256,711	33,252	289,963
Accounts receivable, net	31,133	12,378	43,511
Capital lease receivable, current portion	155	1,843	1,998
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,199	2,199
Prepaid expenses and other current assets	7,256	2,599	9,855
Total current assets	<u>295,265</u>	<u>138,496</u>	<u>433,761</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	4,808	4,808
Accounts receivable, net	107	—	107
Capital lease receivable, net of current portion	4,220	19,455	23,675
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,925	—	1,925
Pledges receivable, net	—	3,868	3,868
Endowment investments	—	102,349	102,349
Other long-term investments	132,797	2,000	134,797
Capital assets, net	531,636	41,737	573,373
Other assets	4,671	272	4,943
Total noncurrent assets	<u>675,356</u>	<u>174,489</u>	<u>849,845</u>
Total assets	<u>970,621</u>	<u>312,985</u>	<u>1,283,606</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>208,902</u>	<u>—</u>	<u>208,902</u>
Liabilities			
Current liabilities:			
Accounts payable	30,584	6,409	36,993
Accrued salaries and benefits	34,594	226	34,820
Accrued compensated absences, current portion	6,206	906	7,112
Unearned revenues	12,808	940	13,748
Capital lease obligations, current portion	1,125	155	1,280
Long-term debt obligations, current portion	8,400	1,200	9,600
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	24	4,103	4,127
Other liabilities	9,316	2,814	12,130
Total current liabilities	<u>103,057</u>	<u>16,753</u>	<u>119,810</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,046	427	12,473
Unearned revenues	—	7,495	7,495
Grants refundable	3,187	—	3,187
Capital lease obligations, net of current portion	15,215	4,220	19,435
Long-term debt obligations, net of current portion	353,619	24,715	378,334
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	993,249	2,261	995,510
Net pension liability	562,136	8,862	570,998
Other liabilities	67	759	826
Total noncurrent liabilities	<u>1,939,519</u>	<u>48,739</u>	<u>1,988,258</u>
Total liabilities	<u>2,042,576</u>	<u>65,492</u>	<u>2,108,068</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>144,481</u>	<u>—</u>	<u>144,481</u>
Net Position			
Net position:			
Net investment in capital assets	232,998	32,746	265,744
Restricted for:			
Nonexpendable – endowments	—	66,023	66,023
Expendable:			
Scholarships and fellowships	—	10,959	10,959
Research	—	—	—
Loans	903	—	903
Capital projects	47	—	47
Debt service	5,159	—	5,159
Others	323	65,182	65,505
Unrestricted	(1,246,964)	72,583	(1,174,381)
Total net position	<u>\$ (1,007,534)</u>	<u>247,493</u>	<u>(760,041)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$139,682)	\$ 188,465	—	—	188,465
Grants and contracts, noncapital:				
Federal	207	19,494	—	19,701
State	—	6,576	—	6,576
Local	—	1,710	—	1,710
Nongovernmental	—	1,091	—	1,091
Sales and services of educational activities	412	—	—	412
Sales and services of auxiliary enterprises (net of scholarship allowances of \$618)	7,048	21,143	—	28,191
Other operating revenues	6,439	35,449	—	41,888
Total operating revenues	<u>202,571</u>	<u>85,463</u>	<u>—</u>	<u>288,034</u>
Expenses:				
Operating expenses:				
Instruction	236,013	4,742	—	240,755
Research	684	4,809	—	5,493
Public service	2,429	11,149	—	13,578
Academic support	55,207	649	—	55,856
Student services	75,747	23,495	—	99,242
Institutional support	78,607	2,162	—	80,769
Operation and maintenance of plant	58,426	8,848	—	67,274
Student grants and scholarships	110,411	9,347	—	119,758
Auxiliary enterprise expenses	15,580	24,260	(368)	39,472
Depreciation and amortization	33,052	2,879	—	35,931
Total operating expenses	<u>666,156</u>	<u>92,340</u>	<u>(368)</u>	<u>758,128</u>
Operating loss	<u>(463,585)</u>	<u>(6,877)</u>	<u>368</u>	<u>(470,094)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	231,656	—	—	231,656
Federal financial aid grants, noncapital	92,130	—	—	92,130
State financial aid grants, noncapital	73,237	—	—	73,237
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	69,751	—	—	69,751
Gifts, noncapital	1,011	54,819	(309)	55,521
Investment income, net	19,804	22,753	—	42,557
Endowment income, net	—	575	—	575
Interest expense	(10,120)	(1,805)	—	(11,925)
Other nonoperating revenues	23,974	21,208	—	45,182
Net nonoperating income	<u>501,443</u>	<u>97,550</u>	<u>(309)</u>	<u>598,684</u>
Income before other revenues	<u>37,858</u>	<u>90,673</u>	<u>59</u>	<u>128,590</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	483	—	(59)	424
Additions to permanent endowments	—	3,840	—	3,840
Increase in net position	<u>38,341</u>	<u>94,513</u>	<u>—</u>	<u>132,854</u>
Net position:				
Net position at beginning of year	(1,045,875)	152,980	—	(892,895)
Net position at end of year	<u>\$ (1,007,534)</u>	<u>247,493</u>	<u>—</u>	<u>(760,041)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 187,744
Federal grants and contracts	197
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(95,623)
Payments to employees	(247,462)
Payments for benefits	(127,056)
Payments to students	(110,761)
Collections of student loans	57
Sales and services of educational activities	412
Sales and services of auxiliary enterprises	7,028
Other receipts	7,872
Net cash used in operating activities	<u>(377,592)</u>
Cash flows from noncapital financing activities:	
State appropriations	209,567
Federal financial aid grants	92,055
State financial aid grants	73,318
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	49,305
Gifts and grants received for other than capital purposes	27
Federal loan program receipts	73,457
Federal loan program disbursements	(73,223)
Monies received on behalf of others	3,886
Monies disbursed on behalf of others	(3,880)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	18,706
Net cash provided by noncapital financing activities	<u>443,218</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	130,859
State appropriations	62
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(55,771)
Transfers to escrow agent	(21,007)
Principal paid on capital debt and leases	(9,080)
Interest paid on capital debt and leases	(14,931)
Principal collection on capital leases	—
Interest collection on capital leases	1
Net cash provided by capital and related financing activities	<u>30,133</u>

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 965,064
Purchases of investments	(1,068,840)
Investment income proceeds	8,017
Net cash used in investing activities	(95,759)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	10
Cash and cash equivalents at end of year	<u>\$ 10</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 10
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 10</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (463,585)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,052
Change in assets and liabilities:	
Accounts receivable, net	325
Student loans receivable, net	(11)
Pledges receivable, net	—
Prepaid expenses and other current assets	7,948
Other assets	283
Deferred outflows of resources	2,928
Accounts payable	(18)
Accrued salaries and benefits	(431)
Accrued compensated absences	1,726
Unearned revenues	1,821
Depository accounts	—
Total other postemployment benefits liability	43,593
Net pension liability	11,825
Other liabilities	204
Deferred inflows of resources	(17,252)
Net cash used in operating activities	<u>\$ (377,592)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 22,088
Other assets paid through long-term debt	—
Amortization of net bond premium	1,565
Change in accrued capital asset purchases	6,921

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,292
Payments from discretely presented component units for other than salaries	8,596
Payments to discretely presented component units for services, space, and programs	23,597
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	1,482
Accounts receivable from discretely presented component units	1,891
Other amounts receivable from discretely presented component units	954
Accounts payable to discretely presented component units	(4,251)
Other amounts payable to discretely presented component units	(1)
Payments to the Office of the Chancellor for administrative activities	1,314
Payments to the Office of the Chancellor for state pro rata charges	151
Accounts receivable from the Office of the Chancellor	4,473
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 allocation received	3,063
Other interagency payments (receipts) for services, space, and programs	(161)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 14	3,770	3,784
Short-term investments	88,130	7,965	96,095
Accounts receivable, net	2,963	14,074	17,037
Capital lease receivable, current portion	—	28	28
Notes receivable, current portion	—	—	—
Pledges receivable, net	2,000	834	2,834
Prepaid expenses and other current assets	1,333	283	1,616
Total current assets	<u>94,440</u>	<u>26,954</u>	<u>121,394</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	173	—	173
Capital lease receivable, net of current portion	—	388	388
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,585	—	1,585
Pledges receivable, net	—	322	322
Endowment investments	995	35,340	36,335
Other long-term investments	487	8,396	8,883
Capital assets, net	194,746	10,437	205,183
Other assets	120	858	978
Total noncurrent assets	<u>198,106</u>	<u>55,741</u>	<u>253,847</u>
Total assets	<u>292,546</u>	<u>82,695</u>	<u>375,241</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>77,163</u>	<u>1,525</u>	<u>78,688</u>
Liabilities			
Current liabilities:			
Accounts payable	3,351	2,579	5,930
Accrued salaries and benefits	8,888	733	9,621
Accrued compensated absences, current portion	3,579	221	3,800
Unearned revenues	2,449	3,132	5,581
Capital lease obligations, current portion	28	28	56
Long-term debt obligations, current portion	3,382	—	3,382
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	112	2	114
Other liabilities	1,121	2,196	3,317
Total current liabilities	<u>22,910</u>	<u>8,891</u>	<u>31,801</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,543	176	2,719
Unearned revenues	—	336	336
Grants refundable	2,067	—	2,067
Capital lease obligations, net of current portion	386	388	774
Long-term debt obligations, net of current portion	45,581	—	45,581
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	444,045	—	444,045
Net pension liability	182,280	2,246	184,526
Other liabilities	—	—	—
Total noncurrent liabilities	<u>676,902</u>	<u>3,146</u>	<u>680,048</u>
Total liabilities	<u>699,812</u>	<u>12,037</u>	<u>711,849</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>63,285</u>	<u>1,487</u>	<u>64,772</u>
Net Position			
Net position:			
Net investment in capital assets	151,534	10,437	161,971
Restricted for:			
Nonexpendable – endowments	995	30,249	31,244
Expendable:			
Scholarships and fellowships	2,087	—	2,087
Research	—	—	—
Loans	1,039	—	1,039
Capital projects	929	—	929
Debt service	5	—	5
Others	727	11,974	12,701
Unrestricted	(550,704)	18,036	(532,668)
Total net position	<u>\$ (393,388)</u>	<u>70,696</u>	<u>(322,692)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$29,934)	\$ 23,690	—	—	23,690
Grants and contracts, noncapital:				
Federal	647	16,207	—	16,854
State	614	12,521	—	13,135
Local	—	1,486	—	1,486
Nongovernmental	—	4,163	—	4,163
Sales and services of educational activities	24	10	—	34
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,966)	2,585	2,010	—	4,595
Other operating revenues	12,639	5,492	—	18,131
Total operating revenues	<u>40,199</u>	<u>41,889</u>	<u>—</u>	<u>82,088</u>
Expenses:				
Operating expenses:				
Instruction	63,423	205	—	63,628
Research	301	11,525	—	11,826
Public service	(909)	22,910	—	22,001
Academic support	17,063	680	—	17,743
Student services	26,130	667	—	26,797
Institutional support	29,358	104	—	29,462
Operation and maintenance of plant	24,438	37	—	24,475
Student grants and scholarships	17,168	501	(501)	17,168
Auxiliary enterprise expenses	11,369	9,344	—	20,713
Depreciation and amortization	9,664	355	—	10,019
Total operating expenses	<u>198,005</u>	<u>46,328</u>	<u>(501)</u>	<u>243,832</u>
Operating loss	<u>(157,806)</u>	<u>(4,439)</u>	<u>501</u>	<u>(161,744)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	95,436	—	—	95,436
Federal financial aid grants, noncapital	16,677	—	—	16,677
State financial aid grants, noncapital	11,985	—	—	11,985
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6	—	—	6
Other federal nonoperating grants, noncapital	13,785	—	—	13,785
Gifts, noncapital	1,321	3,646	(1,307)	3,660
Investment income, net	6,535	214	—	6,749
Endowment income, net	18	9,414	—	9,432
Interest expense	(1,828)	(13)	—	(1,841)
Other nonoperating revenues (expenses)	10,052	(718)	2,012	11,346
Net nonoperating income	<u>153,987</u>	<u>12,543</u>	<u>705</u>	<u>167,235</u>
Income (loss) before other revenues	<u>(3,819)</u>	<u>8,104</u>	<u>1,206</u>	<u>5,491</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,205	2,015	(1,206)	2,014
Additions to permanent endowments	—	554	—	554
Increase (decrease) in net position	<u>(2,614)</u>	<u>10,673</u>	<u>—</u>	<u>8,059</u>
Net position:				
Net position at beginning of year	<u>(390,774)</u>	<u>60,023</u>	<u>—</u>	<u>(330,751)</u>
Net position at end of year	<u>\$ (393,388)</u>	<u>70,696</u>	<u>—</u>	<u>(322,692)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 25,586
Federal grants and contracts	609
State grants and contracts	614
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(35,796)
Payments to employees	(80,322)
Payments for benefits	(40,709)
Payments to students	(17,202)
Collections of student loans	6
Sales and services of educational activities	24
Sales and services of auxiliary enterprises	2,883
Other receipts	12,468
Net cash used in operating activities	<u>(131,839)</u>
Cash flows from noncapital financing activities:	
State appropriations	85,200
Federal financial aid grants	16,677
State financial aid grants	11,985
Nongovernmental and other financial aid grants	6
Other federal nonoperating grants	13,127
Gifts and grants received for other than capital purposes	1,321
Federal loan program receipts	9,522
Federal loan program disbursements	(9,486)
Monies received on behalf of others	3,793
Monies disbursed on behalf of others	(4,023)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	9,638
Net cash provided by noncapital financing activities	<u>137,760</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,045
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,205
Proceeds from sale of capital assets	2,220
Acquisition of capital assets	(13,922)
Transfers to escrow agent	(4,030)
Principal paid on capital debt and leases	(1,842)
Interest paid on capital debt and leases	(1,833)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(14,157)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 226,008
Purchases of investments	(221,072)
Investment income proceeds	3,302
Net cash provided by investing activities	8,238
Net increase in cash and cash equivalents	2
Cash and cash equivalents at beginning of year	12
Cash and cash equivalents at end of year	<u>\$ 14</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 14
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 14</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (157,806)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,664
Change in assets and liabilities:	
Accounts receivable, net	1,327
Student loans receivable, net	(51)
Pledges receivable, net	—
Prepaid expenses and other current assets	(83)
Other assets	24
Deferred outflows of resources	(3,348)
Accounts payable	(637)
Accrued salaries and benefits	253
Accrued compensated absences	518
Unearned revenues	655
Depository accounts	—
Total other postemployment benefits liability	21,449
Net pension liability	2,140
Other liabilities	632
Deferred inflows of resources	(6,576)
Net cash used in operating activities	<u>\$ (131,839)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 10,235
Other assets paid through long-term debt	—
Amortization of net bond premium	292
Change in accrued capital asset purchases	1,060

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,387
Payments from discretely presented component units for other than salaries	4,714
Payments to discretely presented component units for services, space, and programs	3,091
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	3,185
Accounts receivable from discretely presented component units	113
Other amounts receivable from discretely presented component units	2,000
Accounts payable to discretely presented component units	(440)
Other amounts payable to discretely presented component units	(8,000)
Payments to the Office of the Chancellor for administrative activities	83
Payments to the Office of the Chancellor for state pro rata charges	41
Accounts receivable from the Office of the Chancellor	835
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 allocation received	885
Other interagency payments (receipts) for services, space, and programs	(68)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 677	9,352	10,029
Short-term investments	204,800	89,440	294,240
Accounts receivable, net	31,244	10,083	41,327
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	3,841	3,841
Prepaid expenses and other current assets	4,056	1,299	5,355
Total current assets	<u>240,777</u>	<u>114,015</u>	<u>354,792</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,342	16,439	17,781
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,639	—	3,639
Pledges receivable, net	—	3,998	3,998
Endowment investments	—	109,667	109,667
Other long-term investments	93,282	17,270	110,552
Capital assets, net	594,257	50,430	644,687
Other assets	219	13	232
Total noncurrent assets	<u>692,739</u>	<u>197,817</u>	<u>890,556</u>
Total assets	<u>933,516</u>	<u>311,832</u>	<u>1,245,348</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>223,394</u>	<u>3,572</u>	<u>226,966</u>
Liabilities			
Current liabilities:			
Accounts payable	25,860	3,788	29,648
Accrued salaries and benefits	35,523	3,001	38,524
Accrued compensated absences, current portion	7,117	2,176	9,293
Unearned revenues	21,413	3,363	24,776
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	4,250	1,295	5,545
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	69	1,399	1,468
Other liabilities	5,116	3,131	8,247
Total current liabilities	<u>99,348</u>	<u>18,153</u>	<u>117,501</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,973	—	12,973
Unearned revenues	43	—	43
Grants refundable	4,002	—	4,002
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	247,562	28,384	275,946
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	1,062,736	7,615	1,070,351
Net pension liability	601,727	10,391	612,118
Other liabilities	—	6,868	6,868
Total noncurrent liabilities	<u>1,929,043</u>	<u>53,258</u>	<u>1,982,301</u>
Total liabilities	<u>2,028,391</u>	<u>71,411</u>	<u>2,099,802</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>153,220</u>	<u>21,454</u>	<u>174,674</u>
Net Position			
Net position:			
Net investment in capital assets	379,848	22,751	402,599
Restricted for:			
Nonexpendable – endowments	—	81,902	81,902
Expendable:			
Scholarships and fellowships	520	16,433	16,953
Research	—	4,656	4,656
Loans	654	—	654
Capital projects	3,419	896	4,315
Debt service	1,481	—	1,481
Others	—	58,922	58,922
Unrestricted	(1,410,623)	36,979	(1,373,644)
Total net position	<u>\$ (1,024,701)</u>	<u>222,539</u>	<u>(802,162)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$149,794)	\$ 160,560	—	—	160,560
Grants and contracts, noncapital:				
Federal	—	23,677	—	23,677
State	—	8,639	—	8,639
Local	—	323	—	323
Nongovernmental	—	1,792	—	1,792
Sales and services of educational activities	1,411	17	—	1,428
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,304)	3,143	16,379	—	19,522
Other operating revenues	12,224	19,062	(347)	30,939
Total operating revenues	<u>177,338</u>	<u>69,889</u>	<u>(347)</u>	<u>246,880</u>
Expenses:				
Operating expenses:				
Instruction	276,689	8,350	—	285,039
Research	2,884	12,423	—	15,307
Public service	2,682	4,625	—	7,307
Academic support	65,361	5,048	—	70,409
Student services	82,471	12,771	(221)	95,021
Institutional support	63,837	13,407	(2,655)	74,589
Operation and maintenance of plant	45,991	583	—	46,574
Student grants and scholarships	108,900	7,002	(7,205)	108,697
Auxiliary enterprise expenses	26,689	17,051	(109)	43,631
Depreciation and amortization	33,927	2,793	—	36,720
Total operating expenses	<u>709,431</u>	<u>84,053</u>	<u>(10,190)</u>	<u>783,294</u>
Operating loss	<u>(532,093)</u>	<u>(14,164)</u>	<u>9,843</u>	<u>(536,414)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	248,961	—	—	248,961
Federal financial aid grants, noncapital	91,066	—	—	91,066
State financial aid grants, noncapital	76,416	—	—	76,416
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6,938	—	(6,938)	—
Other federal nonoperating grants, noncapital	76,208	2,000	—	78,208
Gifts, noncapital	388	11,897	(251)	12,034
Investment income, net	16,429	15,906	—	32,335
Endowment income, net	—	22,299	—	22,299
Interest expense	(6,478)	(990)	—	(7,468)
Other nonoperating revenues (expenses)	14,982	(353)	—	14,629
Net nonoperating income	<u>524,910</u>	<u>50,759</u>	<u>(7,189)</u>	<u>568,480</u>
Income (loss) before other revenues	<u>(7,183)</u>	<u>36,595</u>	<u>2,654</u>	<u>32,066</u>
State appropriations, capital				
	—	—	—	—
Grants and gifts, capital	7,655	—	(2,654)	5,001
Additions to permanent endowments	—	5,703	—	5,703
Increase in net position	<u>472</u>	<u>42,298</u>	<u>—</u>	<u>42,770</u>
Net position:				
Net position at beginning of year	(1,025,173)	180,241	—	(844,932)
Net position at end of year	<u>\$ (1,024,701)</u>	<u>222,539</u>	<u>—</u>	<u>(802,162)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 160,334
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(101,947)
Payments to employees	(275,200)
Payments for benefits	(136,678)
Payments to students	(109,054)
Collections of student loans	27
Sales and services of educational activities	1,411
Sales and services of auxiliary enterprises	1,165
Other receipts	16,257
Net cash used in operating activities	<u>(443,685)</u>
Cash flows from noncapital financing activities:	
State appropriations	225,442
Federal financial aid grants	90,886
State financial aid grants	76,416
Nongovernmental and other financial aid grants	6,970
Other federal nonoperating grants	57,905
Gifts and grants received for other than capital purposes	251
Federal loan program receipts	84,987
Federal loan program disbursements	(85,062)
Monies received on behalf of others	7,988
Monies disbursed on behalf of others	(7,015)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	10,790
Net cash provided by noncapital financing activities	<u>469,558</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	140,320
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	7,344
Proceeds from sale of capital assets	39
Acquisition of capital assets	(94,221)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(47,899)
Interest paid on capital debt and leases	(7,042)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(1,459)</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 1,169,481
Purchases of investments	(1,201,996)
Investment income proceeds	7,657
Net cash used in investing activities	(24,858)
Net decrease in cash and cash equivalents	(444)
Cash and cash equivalents at beginning of year	1,121
Cash and cash equivalents at end of year	<u>\$ 677</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 677
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 677</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (532,093)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,927
Change in assets and liabilities:	
Accounts receivable, net	(1,392)
Student loans receivable, net	(127)
Pledges receivable, net	—
Prepaid expenses and other current assets	(515)
Other assets	136
Deferred outflows of resources	12,528
Accounts payable	3,571
Accrued salaries and benefits	1,201
Accrued compensated absences	2,312
Unearned revenues	1,327
Depository accounts	—
Total other postemployment benefits liability	43,519
Net pension liability	10,102
Other liabilities	886
Deferred inflows of resources	(19,067)
Net cash used in operating activities	<u>\$ (443,685)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,810
Other assets paid through long-term debt	137
Amortization of net bond premium	1,248
Change in accrued capital asset purchases	9,184

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,224
Payments from discretely presented component units for other than salaries	16,797
Payments to discretely presented component units for services, space, and programs	20,997
Gifts in kind from discretely presented component units	373
Gifts (cash or assets) from discretely presented component units	14,771
Accounts receivable from discretely presented component units	4,560
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,665)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	674
Payments to the Office of the Chancellor for state pro rata charges	152
Accounts receivable from the Office of the Chancellor	4,797
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 allocation received	3,115
Other interagency payments (receipts) for services, space, and programs	985

See accompanying independent auditors' report.



NEARLY HALF

of the state's bachelor's
degrees are awarded
by the CSU



CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 9	8,552	8,561
Short-term investments	156,621	23,423	180,044
Accounts receivable, net	26,400	6,264	32,664
Capital lease receivable, current portion	1,030	—	1,030
Notes receivable, current portion	—	21	21
Pledges receivable, net	—	1,469	1,469
Prepaid expenses and other current assets	907	387	1,294
Total current assets	<u>184,967</u>	<u>40,116</u>	<u>225,083</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	8,783	8,783
Accounts receivable, net	40	—	40
Capital lease receivable, net of current portion	14,795	—	14,795
Notes receivable, net of current portion	—	42	42
Student loans receivable, net	865	—	865
Pledges receivable, net	—	4,701	4,701
Endowment investments	—	59,735	59,735
Other long-term investments	136,713	—	136,713
Capital assets, net	583,619	34,014	617,633
Other assets	254	207	461
Total noncurrent assets	<u>736,286</u>	<u>107,482</u>	<u>843,768</u>
Total assets	<u>921,253</u>	<u>147,598</u>	<u>1,068,851</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>141,018</u>	<u>285</u>	<u>141,303</u>
Liabilities			
Current liabilities:			
Accounts payable	27,143	1,551	28,694
Accrued salaries and benefits	22,027	2,985	25,012
Accrued compensated absences, current portion	6,557	442	6,999
Unearned revenues	21,810	8,406	30,216
Capital lease obligations, current portion	—	1,030	1,030
Long-term debt obligations, current portion	7,560	216	7,776
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	0	—	0
Other liabilities	4,558	1,548	6,106
Total current liabilities	<u>89,655</u>	<u>16,178</u>	<u>105,833</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,704	114	6,818
Unearned revenues	—	—	—
Grants refundable	377	—	377
Capital lease obligations, net of current portion	—	16,313	16,313
Long-term debt obligations, net of current portion	320,077	5,542	325,619
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	16	—	16
Total other postemployment benefits liability	693,008	945	693,953
Net pension liability	393,920	—	393,920
Other liabilities	—	—	—
Total noncurrent liabilities	<u>1,414,102</u>	<u>22,914</u>	<u>1,437,016</u>
Total liabilities	<u>1,503,757</u>	<u>39,092</u>	<u>1,542,849</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>99,956</u>	<u>2,234</u>	<u>102,190</u>
Net Position			
Net position:			
Net investment in capital assets	299,005	8,680	307,685
Restricted for:			
Nonexpendable – endowments	—	42,817	42,817
Expendable:			
Scholarships and fellowships	1,396	33,188	34,584
Research	—	—	—
Loans	1,045	—	1,045
Capital projects	77	—	77
Debt service	175	—	175
Others	2,203	—	2,203
Unrestricted	(845,343)	21,872	(823,471)
Total net position	<u>\$ (541,442)</u>	<u>106,557</u>	<u>(434,885)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$119,970)	\$ 76,610	—	—	76,610
Grants and contracts, noncapital:				
Federal	—	18,018	—	18,018
State	—	672	—	672
Local	—	1,578	—	1,578
Nongovernmental	—	2,744	—	2,744
Sales and services of educational activities	12	3,549	—	3,561
Sales and services of auxiliary enterprises (net of scholarship allowances of \$217)	2,646	3,014	—	5,660
Other operating revenues	13,266	12,238	(4,652)	20,852
Total operating revenues	<u>92,534</u>	<u>41,813</u>	<u>(4,652)</u>	<u>129,695</u>
Expenses:				
Operating expenses:				
Instruction	167,754	11,443	—	179,197
Research	1,343	—	—	1,343
Public service	1,904	404	—	2,308
Academic support	45,313	5,502	—	50,815
Student services	42,539	5,501	—	48,040
Institutional support	61,049	975	—	62,024
Operation and maintenance of plant	36,671	2,653	(4,652)	34,672
Student grants and scholarships	103,653	5,521	—	109,174
Auxiliary enterprise expenses	7,349	2,636	—	9,985
Depreciation and amortization	19,512	1,476	—	20,988
Total operating expenses	<u>487,087</u>	<u>36,111</u>	<u>(4,652)</u>	<u>518,546</u>
Operating income (loss)	<u>(394,553)</u>	<u>5,702</u>	<u>—</u>	<u>(388,851)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	196,116	—	—	196,116
Federal financial aid grants, noncapital	82,272	—	—	82,272
State financial aid grants, noncapital	67,273	—	—	67,273
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	29	—	—	29
Other federal nonoperating grants, noncapital	48,373	1,288	—	49,661
Gifts, noncapital	—	1,654	—	1,654
Investment income, net	16,867	1,163	—	18,030
Endowment income, net	—	12,529	—	12,529
Interest expense	(12,970)	(725)	—	(13,695)
Other nonoperating revenues (expenses)	43,424	(1,993)	1,574	43,005
Net nonoperating income	<u>441,384</u>	<u>13,916</u>	<u>1,574</u>	<u>456,874</u>
Income before other revenues	46,831	19,618	1,574	68,023
State appropriations, capital	10,812	—	—	10,812
Grants and gifts, capital	1,661	—	(1,574)	87
Additions to permanent endowments	—	3,718	—	3,718
Increase in net position	<u>59,304</u>	<u>23,336</u>	<u>—</u>	<u>82,640</u>
Net position:				
Net position at beginning of year	(600,746)	83,221	—	(517,525)
Net position at end of year	<u>\$ (541,442)</u>	<u>106,557</u>	<u>—</u>	<u>(434,885)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 68,521
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(61,150)
Payments to employees	(179,952)
Payments for benefits	(88,411)
Payments to students	(103,712)
Collections of student loans	11
Sales and services of educational activities	12
Sales and services of auxiliary enterprises	2,081
Other receipts	14,777
Net cash used in operating activities	<u>(347,823)</u>
Cash flows from noncapital financing activities:	
State appropriations	180,297
Federal financial aid grants	81,417
State financial aid grants	67,273
Nongovernmental and other financial aid grants	29
Other federal nonoperating grants	48,373
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	52,013
Federal loan program disbursements	(52,021)
Monies received on behalf of others	7,588
Monies disbursed on behalf of others	(7,600)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(1,060)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	34
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	44,354
Net cash provided by noncapital financing activities	<u>420,697</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,895
State appropriations	10,812
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	86
Proceeds from sale of capital assets	1,939
Acquisition of capital assets	(120,526)
Transfers to escrow agent	(4,883)
Principal paid on capital debt and leases	(2,685)
Interest paid on capital debt and leases	(13,699)
Principal collection on capital leases	985
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(123,076)</u>

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 735,141
Purchases of investments	(692,063)
Investment income proceeds	6,717
Net cash provided by investing activities	49,795
Net decrease in cash and cash equivalents	(407)
Cash and cash equivalents at beginning of year	416
Cash and cash equivalents at end of year	<u>\$ 9</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 9
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 9</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (394,553)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,512
Change in assets and liabilities:	
Accounts receivable, net	(6,322)
Student loans receivable, net	(143)
Pledges receivable, net	—
Prepaid expenses and other current assets	(85)
Other assets	52
Deferred outflows of resources	19,053
Accounts payable	6,467
Accrued salaries and benefits	389
Accrued compensated absences	771
Unearned revenues	56
Depository accounts	—
Total other postemployment benefits liability	17,851
Net pension liability	2,574
Other liabilities	711
Deferred inflows of resources	(14,156)
Net cash used in operating activities	<u>\$ (347,823)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 15,819
Other assets paid through long-term debt	—
Amortization of net bond premium	804
Change in accrued capital asset purchases	882

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,552
Payments from discretely presented component units for other than salaries	7,116
Payments to discretely presented component units for services, space, and programs	1,971
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	20
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(106)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	169
Payments to the Office of the Chancellor for state pro rata charges	76
Accounts receivable from the Office of the Chancellor	10,979
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 allocation received	2,734
Other interagency payments (receipts) for services, space, and programs	187

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 154	3,421	3,575
Short-term investments	17,410	1,846	19,256
Accounts receivable, net	1,554	70	1,624
Capital lease receivable, current portion	—	533	533
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	70	70
Prepaid expenses and other current assets	430	—	430
Total current assets	<u>19,548</u>	<u>5,940</u>	<u>25,488</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	772	772
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	1,056	1,056
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	287	—	287
Pledges receivable, net	—	90	90
Endowment investments	—	10,822	10,822
Other long-term investments	284	—	284
Capital assets, net	118,596	1,920	120,516
Other assets	10	8,900	8,910
Total noncurrent assets	<u>119,177</u>	<u>23,560</u>	<u>142,737</u>
Total assets	<u>138,725</u>	<u>29,500</u>	<u>168,225</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>22,824</u>	<u>—</u>	<u>22,824</u>
Liabilities			
Current liabilities:			
Accounts payable	2,191	63	2,254
Accrued salaries and benefits	1,788	—	1,788
Accrued compensated absences, current portion	647	—	647
Unearned revenues	1,908	19	1,927
Capital lease obligations, current portion	84	—	84
Long-term debt obligations, current portion	795	—	795
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	10	882	892
Other liabilities	626	19	645
Total current liabilities	<u>8,049</u>	<u>983</u>	<u>9,032</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,021	—	2,021
Unearned revenues	—	—	—
Grants refundable	556	—	556
Capital lease obligations, net of current portion	288	—	288
Long-term debt obligations, net of current portion	33,574	—	33,574
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	102,372	—	102,372
Net pension liability	63,550	—	63,550
Other liabilities	—	—	—
Total noncurrent liabilities	<u>202,361</u>	<u>—</u>	<u>202,361</u>
Total liabilities	<u>210,410</u>	<u>983</u>	<u>211,393</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>14,931</u>	<u>34</u>	<u>14,965</u>
Net Position			
Net position:			
Net investment in capital assets	85,352	1,920	87,272
Restricted for:			
Nonexpendable – endowments	—	10,819	10,819
Expendable:			
Scholarships and fellowships	30	—	30
Research	—	—	—
Loans	33	—	33
Capital projects	2	—	2
Debt service	2	—	2
Others	10,923	3,127	14,050
Unrestricted	(160,134)	12,617	(147,517)
Total net position	<u>\$ (63,792)</u>	<u>28,483</u>	<u>(35,309)</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$4,173)	\$ 6,875	—	—	6,875
Grants and contracts, noncapital:				
Federal	398	—	—	398
State	175	—	—	175
Local	—	—	—	—
Nongovernmental	3,462	—	—	3,462
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$609)	5,997	—	—	5,997
Other operating revenues	604	537	—	1,141
Total operating revenues	<u>17,511</u>	<u>537</u>	<u>—</u>	<u>18,048</u>
Expenses:				
Operating expenses:				
Instruction	16,751	—	—	16,751
Research	3,010	—	—	3,010
Public service	24	—	—	24
Academic support	3,516	—	—	3,516
Student services	13,616	132	—	13,748
Institutional support	14,376	—	—	14,376
Operation and maintenance of plant	5,810	—	—	5,810
Student grants and scholarships	1,515	519	—	2,034
Auxiliary enterprise expenses	7,446	2,089	—	9,535
Depreciation and amortization	6,466	19	—	6,485
Total operating expenses	<u>72,530</u>	<u>2,759</u>	<u>—</u>	<u>75,289</u>
Operating loss	<u>(55,019)</u>	<u>(2,222)</u>	<u>—</u>	<u>(57,241)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	38,120	—	—	38,120
Federal financial aid grants, noncapital	1,402	—	—	1,402
State financial aid grants, noncapital	1,119	—	—	1,119
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	519	—	—	519
Other federal nonoperating grants, noncapital	496	—	—	496
Gifts, noncapital	—	2,596	—	2,596
Investment income, net	2,830	108	—	2,938
Endowment income, net	—	2,134	—	2,134
Interest expense	(1,246)	—	—	(1,246)
Other nonoperating revenues (expenses)	4,382	(624)	—	3,758
Net nonoperating income	<u>47,622</u>	<u>4,214</u>	<u>—</u>	<u>51,836</u>
Income (loss) before other revenues	<u>(7,397)</u>	<u>1,992</u>	<u>—</u>	<u>(5,405)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	909	9,420	—	10,329
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(6,488)</u>	<u>11,412</u>	<u>—</u>	<u>4,924</u>
Net position:				
Net position at beginning of year	(57,304)	17,071	—	(40,233)
Net position at end of year	<u>\$ (63,792)</u>	<u>28,483</u>	<u>—</u>	<u>(35,309)</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 7,597
Federal grants and contracts	374
State grants and contracts	144
Local grants and contracts	—
Nongovernmental grants and contracts	3,648
Payments to suppliers	(15,008)
Payments to employees	(26,978)
Payments for benefits	(13,517)
Payments to students	(1,666)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	5,556
Other receipts	1,211
Net cash used in operating activities	<u>(38,639)</u>
Cash flows from noncapital financing activities:	
State appropriations	35,842
Federal financial aid grants	1,402
State financial aid grants	1,119
Nongovernmental and other financial aid grants	519
Other federal nonoperating grants	496
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	4,572
Federal loan program disbursements	(4,947)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(231)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,242
Net cash provided by noncapital financing activities	<u>43,014</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	13,930
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	909
Proceeds from sale of capital assets	65
Acquisition of capital assets	(10,848)
Transfers to escrow agent	(13,884)
Principal paid on capital debt and leases	(804)
Interest paid on capital debt and leases	(848)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(11,480)</u>

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 88,783
Purchases of investments	(83,914)
Investment income proceeds	2,247
Net cash provided by investing activities	7,116
Net increase in cash and cash equivalents	11
Cash and cash equivalents at beginning of year	143
Cash and cash equivalents at end of year	<u>\$ 154</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 154
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 154</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (55,019)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	6,466
Change in assets and liabilities:	
Accounts receivable, net	(450)
Student loans receivable, net	382
Pledges receivable, net	—
Prepaid expenses and other current assets	59
Other assets	2
Deferred outflows of resources	3,617
Accounts payable	(434)
Accrued salaries and benefits	(111)
Accrued compensated absences	187
Unearned revenues	1,620
Depository accounts	—
Total other postemployment benefits liability	5,121
Net pension liability	1,853
Other liabilities	(186)
Deferred inflows of resources	(1,746)
Net cash used in operating activities	<u>\$ (38,639)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 2,278
Other assets paid through long-term debt	—
Amortization of net bond premium	71
Change in accrued capital asset purchases	—

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 25
Payments from discretely presented component units for other than salaries	113
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	753
Gifts (cash or assets) from discretely presented component units	610
Accounts receivable from discretely presented component units	59
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(15)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	23
Payments to the Office of the Chancellor for state pro rata charges	15
Accounts receivable from the Office of the Chancellor	661
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	1
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	235
Other interagency payments (receipts) for services, space, and programs	132

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	15,682	15,688
Short-term investments	54,810	161	54,971
Accounts receivable, net	3,881	17,747	21,628
Capital lease receivable, current portion	2,595	—	2,595
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	299	299
Prepaid expenses and other current assets	1,417	2,425	3,842
Total current assets	<u>62,709</u>	<u>36,314</u>	<u>99,023</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	689	689
Accounts receivable, net	210	39	249
Capital lease receivable, net of current portion	42,855	—	42,855
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	69	—	69
Pledges receivable, net	—	89	89
Endowment investments	—	34,631	34,631
Other long-term investments	17,680	38,658	56,338
Capital assets, net	317,158	128,287	445,445
Other assets	193	40	233
Total noncurrent assets	<u>378,165</u>	<u>202,433</u>	<u>580,598</u>
Total assets	<u>440,874</u>	<u>238,747</u>	<u>679,621</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>57,151</u>	<u>1,309</u>	<u>58,460</u>
Liabilities			
Current liabilities:			
Accounts payable	11,270	5,094	16,364
Accrued salaries and benefits	6,951	720	7,671
Accrued compensated absences, current portion	2,307	615	2,922
Unearned revenues	4,787	2,230	7,017
Capital lease obligations, current portion	0	2,595	2,595
Long-term debt obligations, current portion	3,370	1,090	4,460
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	10	—	10
Other liabilities	2,134	63	2,197
Total current liabilities	<u>30,829</u>	<u>12,407</u>	<u>43,236</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,839	—	3,839
Unearned revenues	—	—	—
Grants refundable	1	—	1
Capital lease obligations, net of current portion	—	44,625	44,625
Long-term debt obligations, net of current portion	91,422	75,449	166,871
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	348	348
Total other postemployment benefits liability	258,624	—	258,624
Net pension liability	169,609	—	169,609
Other liabilities	1,858	—	1,858
Total noncurrent liabilities	<u>525,353</u>	<u>120,422</u>	<u>645,775</u>
Total liabilities	<u>556,182</u>	<u>132,829</u>	<u>689,011</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>37,517</u>	<u>—</u>	<u>37,517</u>
Net Position			
Net position:			
Net investment in capital assets	269,357	5,836	275,193
Restricted for:			
Nonexpendable – endowments	—	15,763	15,763
Expendable:			
Scholarships and fellowships	390	13,163	13,553
Research	—	45	45
Loans	100	—	100
Capital projects	214	—	214
Debt service	6	—	6
Others	4	15,520	15,524
Unrestricted	(365,745)	56,900	(308,845)
Total net position	<u>\$ (95,674)</u>	<u>107,227</u>	<u>11,553</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,345)	\$ 38,636	—	—	38,636
Grants and contracts, noncapital:				
Federal	—	12,945	—	12,945
State	—	2,153	—	2,153
Local	—	73	—	73
Nongovernmental	—	1,432	—	1,432
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	231	16,954	—	17,185
Other operating revenues	6,475	10,557	—	17,032
Total operating revenues	<u>45,342</u>	<u>44,114</u>	<u>—</u>	<u>89,456</u>
Expenses:				
Operating expenses:				
Instruction	69,904	120	—	70,024
Research	818	4,889	—	5,707
Public service	1,016	6,977	—	7,993
Academic support	20,729	4,549	—	25,278
Student services	26,225	621	—	26,846
Institutional support	21,958	5,909	(129)	27,738
Operation and maintenance of plant	24,789	20	—	24,809
Student grants and scholarships	19,249	2,725	—	21,974
Auxiliary enterprise expenses	14,109	18,661	(627)	32,143
Depreciation and amortization	18,571	8,194	—	26,765
Total operating expenses	<u>217,368</u>	<u>52,665</u>	<u>(756)</u>	<u>269,277</u>
Operating loss	<u>(172,026)</u>	<u>(8,551)</u>	<u>756</u>	<u>(179,821)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	88,052	—	—	88,052
Federal financial aid grants, noncapital	15,207	—	—	15,207
State financial aid grants, noncapital	12,691	—	—	12,691
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	15,891	—	—	15,891
Gifts, noncapital	1,366	3,495	(647)	4,214
Investment income, net	6,047	6,831	—	12,878
Endowment income, net	—	7,844	—	7,844
Interest expense	(2,855)	(3,782)	—	(6,637)
Other nonoperating revenues (expenses)	6,349	(51)	—	6,298
Net nonoperating income	<u>142,748</u>	<u>14,337</u>	<u>(647)</u>	<u>156,438</u>
Income (loss) before other revenues	<u>(29,278)</u>	<u>5,786</u>	<u>109</u>	<u>(23,383)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,030	(3,164)	(109)	(243)
Additions to permanent endowments	—	613	—	613
Increase (Decrease) in net position	<u>(26,248)</u>	<u>3,235</u>	<u>—</u>	<u>(23,013)</u>
Net position:				
Net position at beginning of year	(69,426)	103,992	—	34,566
Net position at end of year	<u>\$ (95,674)</u>	<u>107,227</u>	<u>—</u>	<u>11,553</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 41,315
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(47,697)
Payments to employees	(73,141)
Payments for benefits	(36,767)
Payments to students	(19,248)
Collections of student loans	6
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	231
Other receipts	11,160
Net cash used in operating activities	<u>(124,141)</u>
Cash flows from noncapital financing activities:	
State appropriations	82,295
Federal financial aid grants	15,207
State financial aid grants	12,691
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	17,602
Gifts and grants received for other than capital purposes	1,366
Federal loan program receipts	19,901
Federal loan program disbursements	(19,791)
Monies received on behalf of others	1,928
Monies disbursed on behalf of others	(70)
Transfers to escrow agent	(30,537)
Proceeds from long-term debt	30,625
Principal paid on long-term debt	(3,195)
Interest paid on long-term debt	(1,027)
Issuance of notes receivable	—
Issuance of capital leases receivable	(30,360)
Principal collections on capital leases	30,160
Interest collections on capital leases	1,027
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	10,151
Net cash provided by noncapital financing activities	<u>137,973</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	9
Acquisition of capital assets	(12,641)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(4,025)
Interest paid on capital debt and leases	(2,645)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(19,302)</u>

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 266,963
Purchases of investments	(264,306)
Investment income proceeds	2,813
Net cash provided by investing activities	5,470
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	6
Cash and cash equivalents at end of year	<u>\$ 6</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 6
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 6</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (172,026)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,571
Change in assets and liabilities:	
Accounts receivable, net	909
Student loans receivable, net	4
Pledges receivable, net	—
Prepaid expenses and other current assets	55
Other assets	2
Deferred outflows of resources	5,986
Accounts payable	2,337
Accrued salaries and benefits	(203)
Accrued compensated absences	437
Unearned revenues	570
Depository accounts	—
Total other postemployment benefits liability	16,865
Net pension liability	6,023
Other liabilities	232
Deferred inflows of resources	(3,903)
Net cash used in operating activities	<u>\$ (124,141)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 5,757
Other assets paid through long-term debt	—
Amortization of net bond premium	1,862
Change in accrued capital asset purchases	877

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,772
Payments from discretely presented component units for other than salaries	2,970
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	757
Gifts (cash or assets) from discretely presented component units	6,773
Accounts receivable from discretely presented component units	1,771
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(6,323)
Other amounts payable to discretely presented component units	(1,858)
Payments to the Office of the Chancellor for administrative activities	66
Payments to the Office of the Chancellor for state pro rata charges	56
Accounts receivable from the Office of the Chancellor	210
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	2
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	717
Other interagency payments (receipts) for services, space, and programs	147

See accompanying independent auditors' report.



800 MILES

stretching
from Humboldt
to San Diego



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 14	64,221	64,235
Short-term investments	389,318	95,599	484,917
Accounts receivable, net	6,382	8,303	14,685
Capital lease receivable, current portion	455	—	455
Notes receivable, current portion	—	4	4
Pledges receivable, net	—	19,873	19,873
Prepaid expenses and other current assets	4,636	609	5,245
Total current assets	<u>400,805</u>	<u>188,609</u>	<u>589,414</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	1,315	1,315
Accounts receivable, net	—	2,434	2,434
Capital lease receivable, net of current portion	5,180	—	5,180
Notes receivable, net of current portion	—	33	33
Student loans receivable, net	1,089	—	1,089
Pledges receivable, net	—	—	—
Endowment investments	—	146,313	146,313
Other long-term investments	13,720	33,426	47,146
Capital assets, net	475,667	32,423	508,090
Other assets	81	481	562
Total noncurrent assets	<u>495,737</u>	<u>216,425</u>	<u>712,162</u>
Total assets	<u>896,542</u>	<u>405,034</u>	<u>1,301,576</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>205,246</u>	<u>—</u>	<u>205,246</u>
Liabilities			
Current liabilities:			
Accounts payable	10,543	2,788	13,331
Accrued salaries and benefits	28,132	2,473	30,605
Accrued compensated absences, current portion	7,055	1,085	8,140
Unearned revenues	37,763	4,067	41,830
Capital lease obligations, current portion	—	455	455
Long-term debt obligations, current portion	7,545	240	7,785
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	49	3,896	3,945
Other liabilities	3,940	311	4,251
Total current liabilities	<u>95,027</u>	<u>15,315</u>	<u>110,342</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,720	292	13,012
Unearned revenues	—	—	—
Grants refundable	1,277	—	1,277
Capital lease obligations, net of current portion	—	5,362	5,362
Long-term debt obligations, net of current portion	140,412	3,978	144,390
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	1,021,304	6,358	1,027,662
Net pension liability	572,546	—	572,546
Other liabilities	—	—	—
Total noncurrent liabilities	<u>1,748,259</u>	<u>15,990</u>	<u>1,764,249</u>
Total liabilities	<u>1,843,286</u>	<u>31,305</u>	<u>1,874,591</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>147,590</u>	<u>—</u>	<u>147,590</u>
Net Position			
Net position:			
Net investment in capital assets	335,911	18,477	354,388
Restricted for:			
Nonexpendable – endowments	—	112,987	112,987
Expendable:			
Scholarships and fellowships	2,007	33,704	35,711
Research	—	—	—
Loans	1,154	422	1,576
Capital projects	—	3,279	3,279
Debt service	16	—	16
Others	—	65,374	65,374
Unrestricted	(1,228,176)	139,486	(1,088,690)
Total net position	<u>\$ (889,088)</u>	<u>373,729</u>	<u>(515,359)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$167,744)	\$ 144,210	—	—	144,210
Grants and contracts, noncapital:				
Federal	—	24,678	—	24,678
State	—	2,172	—	2,172
Local	—	832	—	832
Nongovernmental	—	2,314	—	2,314
Sales and services of educational activities	592	—	—	592
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,142)	3,234	6,196	—	9,430
Other operating revenues	12,177	25,996	—	38,173
Total operating revenues	<u>160,213</u>	<u>62,188</u>	<u>—</u>	<u>222,401</u>
Expenses:				
Operating expenses:				
Instruction	215,961	—	—	215,961
Research	3,304	25,466	—	28,770
Public service	448	1,179	—	1,627
Academic support	72,216	3,332	—	75,548
Student services	96,296	18,729	—	115,025
Institutional support	54,558	2,876	(503)	56,931
Operation and maintenance of plant	64,309	938	—	65,247
Student grants and scholarships	135,050	2,998	—	138,048
Auxiliary enterprise expenses	20,475	8,758	—	29,233
Depreciation and amortization	31,301	2,263	—	33,564
Total operating expenses	<u>693,918</u>	<u>66,539</u>	<u>(503)</u>	<u>759,954</u>
Operating loss	<u>(533,705)</u>	<u>(4,351)</u>	<u>503</u>	<u>(537,553)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	254,518	—	—	254,518
Federal financial aid grants, noncapital	104,383	—	—	104,383
State financial aid grants, noncapital	85,943	—	—	85,943
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,391	—	—	3,391
Other federal nonoperating grants, noncapital	80,704	—	—	80,704
Gifts, noncapital	474	52,120	(474)	52,120
Investment income, net	25,482	21,482	—	46,964
Endowment income, net	—	24,663	—	24,663
Interest expense	(6,020)	—	—	(6,020)
Other nonoperating revenues	9,535	2,181	—	11,716
Net nonoperating income	<u>558,410</u>	<u>100,446</u>	<u>(474)</u>	<u>658,382</u>
Income before other revenues	<u>24,705</u>	<u>96,095</u>	<u>29</u>	<u>120,829</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	29	—	(29)	—
Additions to permanent endowments	—	13,084	—	13,084
Increase in net position	<u>24,734</u>	<u>109,179</u>	<u>—</u>	<u>133,913</u>
Net position:				
Net position at beginning of year	(913,822)	264,550	—	(649,272)
Net position at end of year	<u>\$ (889,088)</u>	<u>373,729</u>	<u>—</u>	<u>(515,359)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 155,963
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(93,794)
Payments to employees	(258,500)
Payments for benefits	(126,726)
Payments to students	(134,904)
Collections of student loans	—
Sales and services of educational activities	592
Sales and services of auxiliary enterprises	3,196
Other receipts	16,217
Net cash used in operating activities	<u>(437,956)</u>
Cash flows from noncapital financing activities:	
State appropriations	231,713
Federal financial aid grants	104,383
State financial aid grants	85,943
Nongovernmental and other financial aid grants	3,391
Other federal nonoperating grants	80,704
Gifts and grants received for other than capital purposes	474
Federal loan program receipts	92,408
Federal loan program disbursements	(92,425)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(72)
Transfers to escrow agent	(4,105)
Proceeds from long-term debt	—
Principal paid on long-term debt	(440)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	55
Interest collections on capital leases	22
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,624
Net cash provided by noncapital financing activities	<u>506,675</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	17,865
State appropriations	1,700
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	29
Proceeds from sale of capital assets	—
Acquisition of capital assets	(13,536)
Transfers to escrow agent	(13,713)
Principal paid on capital debt and leases	(6,735)
Interest paid on capital debt and leases	(6,658)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(21,048)</u>

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 881,933
Purchases of investments	(939,406)
Investment income proceeds	9,189
Net cash used in investing activities	(48,284)
Net decrease in cash and cash equivalents	(613)
Cash and cash equivalents at beginning of year	627
Cash and cash equivalents at end of year	<u>\$ 14</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 14
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 14</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (533,705)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,301
Change in assets and liabilities:	
Accounts receivable, net	1,165
Student loans receivable, net	(112)
Pledges receivable, net	—
Prepaid expenses and other current assets	(383)
Other assets	363
Deferred outflows of resources	14,882
Accounts payable	3,638
Accrued salaries and benefits	1,374
Accrued compensated absences	1,118
Unearned revenues	13,637
Depository accounts	—
Total other postemployment benefits liability	41,440
Net pension liability	4,701
Other liabilities	1,088
Deferred inflows of resources	(18,463)
Net cash used in operating activities	<u>\$ (437,956)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 22,805
Other assets paid through long-term debt	—
Amortization of net bond premium	640
Change in accrued capital asset purchases	366

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,204
Payments from discretely presented component units for other than salaries	5,912
Payments to discretely presented component units for services, space, and programs	14,031
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	504
Accounts receivable from discretely presented component units	22
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,511)
Other amounts payable to discretely presented component units	(39)
Payments to the Office of the Chancellor for administrative activities	838
Payments to the Office of the Chancellor for state pro rata charges	174
Accounts receivable from the Office of the Chancellor	568
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 allocation received	3,077
Other interagency payments (receipts) for services, space, and programs	165

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 63	4,772	4,835
Short-term investments	252,230	112,949	365,179
Accounts receivable, net	10,152	6,666	16,818
Capital lease receivable, current portion	1,460	—	1,460
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,573	1,573
Prepaid expenses and other current assets	4,453	1,935	6,388
Total current assets	<u>268,358</u>	<u>127,895</u>	<u>396,253</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	3,396	3,396
Accounts receivable, net	639	3,324	3,963
Capital lease receivable, net of current portion	37,435	—	37,435
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,019	—	3,019
Pledges receivable, net	—	2,751	2,751
Endowment investments	—	163,491	163,491
Other long-term investments	86,781	1,645	88,426
Capital assets, net	650,692	70,236	720,928
Other assets	31	—	31
Total noncurrent assets	<u>778,597</u>	<u>244,843</u>	<u>1,023,440</u>
Total assets	<u>1,046,955</u>	<u>372,738</u>	<u>1,419,693</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>154,885</u>	<u>3,736</u>	<u>158,621</u>
Liabilities			
Current liabilities:			
Accounts payable	9,519	5,777	15,296
Accrued salaries and benefits	26,296	1,305	27,601
Accrued compensated absences, current portion	4,919	704	5,623
Unearned revenues	8,973	782	9,755
Capital lease obligations, current portion	1,499	1,460	2,959
Long-term debt obligations, current portion	10,380	—	10,380
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	19	66	85
Other liabilities	8,518	2,222	10,740
Total current liabilities	<u>70,123</u>	<u>12,316</u>	<u>82,439</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,856	520	7,376
Unearned revenues	—	—	—
Grants refundable	3,278	—	3,278
Capital lease obligations, net of current portion	6,238	39,461	45,699
Long-term debt obligations, net of current portion	358,751	3,795	362,546
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	751,161	9,819	760,980
Net pension liability	410,474	12,910	423,384
Other liabilities	—	1,204	1,204
Total noncurrent liabilities	<u>1,536,758</u>	<u>67,709</u>	<u>1,604,467</u>
Total liabilities	<u>1,606,881</u>	<u>80,025</u>	<u>1,686,906</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>108,586</u>	<u>3,460</u>	<u>112,046</u>
Net Position			
Net position:			
Net investment in capital assets	302,598	29,513	332,111
Restricted for:			
Nonexpendable – endowments	—	94,768	94,768
Expendable:			
Scholarships and fellowships	52	6,598	6,650
Research	—	—	—
Loans	1,200	—	1,200
Capital projects	90	—	90
Debt service	27	—	27
Others	—	70,354	70,354
Unrestricted	(817,594)	91,756	(725,838)
Total net position	<u>\$ (513,627)</u>	<u>292,989</u>	<u>(220,638)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$131,392)	\$ 111,388	—	—	111,388
Grants and contracts, noncapital:				
Federal	—	11,013	—	11,013
State	—	2,110	—	2,110
Local	—	—	—	—
Nongovernmental	—	805	—	805
Sales and services of educational activities	—	4,818	—	4,818
Sales and services of auxiliary enterprises (net of scholarship allowances of \$845)	2,574	14,949	—	17,523
Other operating revenues	8,219	25,444	—	33,663
Total operating revenues	<u>122,181</u>	<u>59,139</u>	<u>—</u>	<u>181,320</u>
Expenses:				
Operating expenses:				
Instruction	192,215	9,311	—	201,526
Research	1,346	6,670	—	8,016
Public service	191	206	—	397
Academic support	52,650	5,924	—	58,574
Student services	67,512	11,234	—	78,746
Institutional support	54,506	1,061	—	55,567
Operation and maintenance of plant	52,010	63	—	52,073
Student grants and scholarships	69,435	1,642	(3,246)	67,831
Auxiliary enterprise expenses	15,036	25,727	—	40,763
Depreciation and amortization	33,886	4,050	—	37,936
Total operating expenses	<u>538,787</u>	<u>65,888</u>	<u>(3,246)</u>	<u>601,429</u>
Operating loss	<u>(416,606)</u>	<u>(6,749)</u>	<u>3,246</u>	<u>(420,109)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	176,475	—	—	176,475
Federal financial aid grants, noncapital	72,219	—	—	72,219
State financial aid grants, noncapital	55,415	—	—	55,415
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,760	—	—	1,760
Other federal nonoperating grants, noncapital	53,548	—	—	53,548
Gifts, noncapital	5,247	49,304	(3,367)	51,184
Investment income, net	21,395	9,209	—	30,604
Endowment income, net	—	31,382	—	31,382
Interest expense	(14,209)	(1,833)	—	(16,042)
Other nonoperating revenues	16,797	343	491	17,631
Net nonoperating income	<u>388,647</u>	<u>88,405</u>	<u>(2,876)</u>	<u>474,176</u>
Income (loss) before other revenues	<u>(27,959)</u>	<u>81,656</u>	<u>370</u>	<u>54,067</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	396	—	(370)	26
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(27,563)</u>	<u>81,656</u>	<u>—</u>	<u>54,093</u>
Net position:				
Net position at beginning of year	(486,064)	211,333	—	(274,731)
Net position at end of year	<u>\$ (513,627)</u>	<u>292,989</u>	<u>—</u>	<u>(220,638)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 111,998
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(69,414)
Payments to employees	(190,172)
Payments for benefits	(95,157)
Payments to students	(69,717)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	1,994
Other receipts	8,141
Net cash used in operating activities	<u>(302,327)</u>
Cash flows from noncapital financing activities:	
State appropriations	158,951
Federal financial aid grants	72,134
State financial aid grants	55,587
Nongovernmental and other financial aid grants	1,760
Other federal nonoperating grants	53,548
Gifts and grants received for other than capital purposes	5,031
Federal loan program receipts	56,921
Federal loan program disbursements	(56,954)
Monies received on behalf of others	10,739
Monies disbursed on behalf of others	(10,679)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(1,040)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	1,380
Interest collections on capital leases	1,979
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	12,006
Net cash provided by noncapital financing activities	<u>361,363</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	67,300
State appropriations	2,274
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(16,543)
Transfers to escrow agent	(67,076)
Principal paid on capital debt and leases	(10,327)
Interest paid on capital debt and leases	(16,956)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(41,328)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 733,607
Purchases of investments	(757,881)
Investment income proceeds	6,618
Net cash used in investing activities	(17,656)
Net increase in cash and cash equivalents	52
Cash and cash equivalents at beginning of year	11
Cash and cash equivalents at end of year	<u>\$ 63</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 63
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 63</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (416,606)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,886
Change in assets and liabilities:	
Accounts receivable, net	(51)
Student loans receivable, net	(70)
Pledges receivable, net	—
Prepaid expenses and other current assets	(438)
Other assets	215
Deferred outflows of resources	13,329
Accounts payable	(146)
Accrued salaries and benefits	(5,288)
Accrued compensated absences	692
Unearned revenues	1,367
Depository accounts	—
Total other postemployment benefits liability	57,305
Net pension liability	21,782
Other liabilities	667
Deferred inflows of resources	(8,971)
Net cash used in operating activities	<u>\$ (302,327)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 17,524
Other assets paid through long-term debt	215
Amortization of net bond premium	1,439
Change in accrued capital asset purchases	3,173

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2021

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,368
Payments from discretely presented component units for other than salaries	13,479
Payments to discretely presented component units for services, space, and programs	28,525
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	491
Accounts receivable from discretely presented component units	5,236
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(714)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	505
Payments to the Office of the Chancellor for state pro rata charges	95
Accounts receivable from the Office of the Chancellor	896
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 allocation received	2,229
Other interagency payments (receipts) for services, space, and programs	(39)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 2,465	12,645	15,110
Short-term investments	172,575	60,103	232,678
Accounts receivable, net	30,851	33,199	64,050
Capital lease receivable, current portion	864	925	1,789
Notes receivable, current portion	—	321	321
Pledges receivable, net	—	678	678
Prepaid expenses and other current assets	3,981	1,837	5,818
Total current assets	<u>210,736</u>	<u>109,708</u>	<u>320,444</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	3,712	3,712
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	16,163	38,125	54,288
Notes receivable, net of current portion	—	1,319	1,319
Student loans receivable, net	2,526	—	2,526
Pledges receivable, net	—	636	636
Endowment investments	14	73,695	73,709
Other long-term investments	38,477	32,258	70,735
Capital assets, net	534,497	65,291	599,788
Other assets	61	589	650
Total noncurrent assets	<u>591,738</u>	<u>215,625</u>	<u>807,363</u>
Total assets	<u>802,474</u>	<u>325,333</u>	<u>1,127,807</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>185,557</u>	<u>6,144</u>	<u>191,701</u>
Liabilities			
Current liabilities:			
Accounts payable	16,707	5,836	22,543
Accrued salaries and benefits	24,742	4,146	28,888
Accrued compensated absences, current portion	8,591	1,738	10,329
Unearned revenues	23,440	2,521	25,961
Capital lease obligations, current portion	1,582	729	2,311
Long-term debt obligations, current portion	8,863	5,687	14,550
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	277	1,149	1,426
Other liabilities	3,162	1,856	5,018
Total current liabilities	<u>87,364</u>	<u>23,662</u>	<u>111,026</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,521	350	6,871
Unearned revenues	—	7,586	7,586
Grants refundable	3,880	4,638	8,518
Capital lease obligations, net of current portion	31,326	14,311	45,637
Long-term debt obligations, net of current portion	251,320	49,428	300,748
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	952,189	6,855	959,044
Net pension liability	475,810	20,100	495,910
Other liabilities	33	511	544
Total noncurrent liabilities	<u>1,721,079</u>	<u>103,779</u>	<u>1,824,858</u>
Total liabilities	<u>1,808,443</u>	<u>127,441</u>	<u>1,935,884</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>136,612</u>	<u>6,056</u>	<u>142,668</u>
Net Position			
Net position:			
Net investment in capital assets	269,650	34,366	304,016
Restricted for:			
Nonexpendable – endowments	14	55,980	55,994
Expendable:			
Scholarships and fellowships	359	10,472	10,831
Research	—	—	—
Loans	1,363	—	1,363
Capital projects	25	3,863	3,888
Debt service	362	3,315	3,677
Others	21	35,242	35,263
Unrestricted	(1,228,818)	54,742	(1,174,076)
Total net position	<u>\$ (957,024)</u>	<u>197,980</u>	<u>(759,044)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$128,765)	\$ 150,445	—	—	150,445
Grants and contracts, noncapital:				
Federal	588	16,016	—	16,604
State	332	31,675	—	32,007
Local	391	2,286	—	2,677
Nongovernmental	51	5,091	—	5,142
Sales and services of educational activities	1,729	12,904	—	14,633
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,520)	4,809	23,521	(3,256)	25,074
Other operating revenues	14,690	35,809	(14)	50,485
Total operating revenues	<u>173,035</u>	<u>127,302</u>	<u>(3,270)</u>	<u>297,067</u>
Expenses:				
Operating expenses:				
Instruction	237,746	7,149	—	244,895
Research	2,529	21,050	—	23,579
Public service	73	39,316	—	39,389
Academic support	58,393	4,289	—	62,682
Student services	84,680	9,794	(50)	94,424
Institutional support	63,823	29,296	(3,641)	89,478
Operation and maintenance of plant	47,797	4,821	—	52,618
Student grants and scholarships	109,165	2,515	—	111,680
Auxiliary enterprise expenses	33,020	4,668	—	37,688
Depreciation and amortization	36,995	4,062	—	41,057
Total operating expenses	<u>674,221</u>	<u>126,960</u>	<u>(3,691)</u>	<u>797,490</u>
Operating income (loss)	<u>(501,186)</u>	<u>342</u>	<u>421</u>	<u>(500,423)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	211,354	—	—	211,354
Federal financial aid grants, noncapital	78,265	—	—	78,265
State financial aid grants, noncapital	66,898	—	—	66,898
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	62,799	—	—	62,799
Gifts, noncapital	941	12,194	(404)	12,731
Investment income, net	15,199	9,146	—	24,345
Endowment income, net	1	16,758	—	16,759
Interest expense	(11,679)	(2,642)	—	(14,321)
Other nonoperating revenues	3,611	6,585	—	10,196
Net nonoperating income	<u>427,389</u>	<u>42,041</u>	<u>(404)</u>	<u>469,026</u>
Income (loss) before other revenues	<u>(73,797)</u>	<u>42,383</u>	<u>17</u>	<u>(31,397)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,092	—	(17)	1,075
Additions to permanent endowments	—	4,473	—	4,473
Increase (decrease) in net position	<u>(72,705)</u>	<u>46,856</u>	<u>—</u>	<u>(25,849)</u>
Net position:				
Net position at beginning of year	(884,319)	151,124	—	(733,195)
Net position at end of year	<u>\$ (957,024)</u>	<u>197,980</u>	<u>—</u>	<u>(759,044)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 149,677
Federal grants and contracts	600
State grants and contracts	3,407
Local grants and contracts	197
Nongovernmental grants and contracts	16
Payments to suppliers	(99,382)
Payments to employees	(226,313)
Payments for benefits	(112,287)
Payments to students	(109,202)
Collections of student loans	19
Sales and services of educational activities	1,816
Sales and services of auxiliary enterprises	5,040
Other receipts	22,325
Net cash used in operating activities	<u>(364,087)</u>
Cash flows from noncapital financing activities:	
State appropriations	188,917
Federal financial aid grants	79,245
State financial aid grants	66,898
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	46,053
Gifts and grants received for other than capital purposes	941
Federal loan program receipts	75,040
Federal loan program disbursements	(74,888)
Monies received on behalf of others	4,284
Monies disbursed on behalf of others	(4,721)
Transfers to escrow agent	(2,482)
Proceeds from long-term debt	—
Principal paid on long-term debt	(655)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	(210)
Principal collections on capital leases	173
Interest collections on capital leases	41
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	2,514
Net cash provided by noncapital financing activities	<u>381,150</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,265
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,152
Proceeds from sale of capital assets	153
Acquisition of capital assets	(40,156)
Transfers to escrow agent	(1,767)
Principal paid on capital debt and leases	(9,383)
Interest paid on capital debt and leases	(13,502)
Principal collection on capital leases	655
Interest collection on capital leases	679
Net cash used in capital and related financing activities	<u>(57,904)</u>

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 791,515
Purchases of investments	(762,340)
Investment income proceeds	7,593
Net cash provided by investing activities	36,768
Net decrease in cash and cash equivalents	(4,073)
Cash and cash equivalents at beginning of year	6,538
Cash and cash equivalents at end of year	<u>\$ 2,465</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,465
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 2,465</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (501,186)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	36,995
Change in assets and liabilities:	
Accounts receivable, net	2,594
Student loans receivable, net	(60)
Pledges receivable, net	—
Prepaid expenses and other current assets	(687)
Other assets	121
Deferred outflows of resources	20,162
Accounts payable	8,090
Accrued salaries and benefits	479
Accrued compensated absences	936
Unearned revenues	2,139
Depository accounts	—
Total other postemployment benefits liability	64,515
Net pension liability	14,152
Other liabilities	96
Deferred inflows of resources	(12,433)
Net cash used in operating activities	<u>\$ (364,087)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 22,437
Other assets paid through long-term debt	—
Amortization of net bond premium	1,602
Change in accrued capital asset purchases	3,316

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,022
Payments from discretely presented component units for other than salaries	8,345
Payments to discretely presented component units for services, space, and programs	16,950
Gifts in kind from discretely presented component units	28
Gifts (cash or assets) from discretely presented component units	162
Accounts receivable from discretely presented component units	2,585
Other amounts receivable from discretely presented component units	390
Accounts payable to discretely presented component units	(7,229)
Other amounts payable to discretely presented component units	(710)
Payments to the Office of the Chancellor for administrative activities	587
Payments to the Office of the Chancellor for state pro rata charges	180
Accounts receivable from the Office of the Chancellor	149
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 allocation received	2,456
Other interagency payments (receipts) for services, space, and programs	136

See accompanying independent auditors' report.



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CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 20	6,621	6,641
Short-term investments	90,781	25,790	116,571
Accounts receivable, net	14,215	11,128	25,343
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	645	645
Prepaid expenses and other current assets	1,526	134	1,660
Total current assets	<u>106,542</u>	<u>44,318</u>	<u>150,860</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,462	—	1,462
Pledges receivable, net	—	—	—
Endowment investments	—	55,592	55,592
Other long-term investments	32,689	1,559	34,248
Capital assets, net	529,052	5,007	534,059
Other assets	26	259	285
Total noncurrent assets	<u>563,229</u>	<u>62,417</u>	<u>625,646</u>
Total assets	<u>669,771</u>	<u>106,735</u>	<u>776,506</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>111,512</u>	<u>2,487</u>	<u>113,999</u>
Liabilities			
Current liabilities:			
Accounts payable	10,740	5,463	16,203
Accrued salaries and benefits	14,426	829	15,255
Accrued compensated absences, current portion	4,312	509	4,821
Unearned revenues	5,186	7,155	12,341
Capital lease obligations, current portion	309	—	309
Long-term debt obligations, current portion	6,605	—	6,605
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	849	—	849
Other liabilities	11,443	1,332	12,775
Total current liabilities	<u>53,870</u>	<u>15,288</u>	<u>69,158</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	8,378	423	8,801
Unearned revenues	—	—	—
Grants refundable	1,175	—	1,175
Capital lease obligations, net of current portion	117	—	117
Long-term debt obligations, net of current portion	304,476	—	304,476
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	535,270	1,811	537,081
Net pension liability	315,183	6,215	321,398
Other liabilities	154	—	154
Total noncurrent liabilities	<u>1,164,753</u>	<u>8,449</u>	<u>1,173,202</u>
Total liabilities	<u>1,218,623</u>	<u>23,737</u>	<u>1,242,360</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>77,370</u>	<u>2,069</u>	<u>79,439</u>
Net Position			
Net position:			
Net investment in capital assets	230,315	4,962	235,277
Restricted for:			
Nonexpendable – endowments	—	55,847	55,847
Expendable:			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	1,264	—	1,264
Capital projects	2,004	—	2,004
Debt service	2,449	—	2,449
Others	—	11,590	11,590
Unrestricted	(750,742)	11,017	(739,725)
Total net position	<u>\$ (514,710)</u>	<u>83,416</u>	<u>(431,294)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$101,866)	\$ 56,397	—	—	56,397
Grants and contracts, noncapital:				
Federal	—	18,389	—	18,389
State	—	9,746	—	9,746
Local	—	2,181	—	2,181
Nongovernmental	—	937	—	937
Sales and services of educational activities	70	—	—	70
Sales and services of auxiliary enterprises (net of scholarship allowances of \$846)	764	278	—	1,042
Other operating revenues	7,862	8,622	(49)	16,435
Total operating revenues	<u>65,093</u>	<u>40,153</u>	<u>(49)</u>	<u>105,197</u>
Expenses:				
Operating expenses:				
Instruction	138,818	81	—	138,899
Research	580	14,140	—	14,720
Public service	941	7,078	—	8,019
Academic support	24,765	74	—	24,839
Student services	39,814	13,038	(49)	52,803
Institutional support	54,668	5,019	(462)	59,225
Operation and maintenance of plant	27,060	—	—	27,060
Student grants and scholarships	55,297	1,835	(1,593)	55,539
Auxiliary enterprise expenses	8,478	1,086	—	9,564
Depreciation and amortization	25,730	856	—	26,586
Total operating expenses	<u>376,151</u>	<u>43,207</u>	<u>(2,104)</u>	<u>417,254</u>
Operating loss	<u>(311,058)</u>	<u>(3,054)</u>	<u>2,055</u>	<u>(312,057)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	145,908	—	—	145,908
Federal financial aid grants, noncapital	57,496	—	—	57,496
State financial aid grants, noncapital	48,729	—	—	48,729
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	916	—	(784)	132
Other federal nonoperating grants, noncapital	32,292	—	—	32,292
Gifts, noncapital	1,059	2,532	(809)	2,782
Investment income, net	7,848	284	—	8,132
Endowment income, net	—	12,123	—	12,123
Interest expense	(7,849)	(1)	—	(7,850)
Other nonoperating revenues	7,620	1,871	—	9,491
Net nonoperating income	<u>294,019</u>	<u>16,809</u>	<u>(1,593)</u>	<u>309,235</u>
Income (loss) before other revenues	<u>(17,039)</u>	<u>13,755</u>	<u>462</u>	<u>(2,822)</u>
State appropriations, capital	0	—	—	0
Grants and gifts, capital	2,068	—	(462)	1,606
Additions to permanent endowments	—	571	—	571
Increase (decrease) in net position	<u>(14,971)</u>	<u>14,326</u>	<u>—</u>	<u>(645)</u>
Net position:				
Net position at beginning of year	(499,739)	69,090	—	(430,649)
Net position at end of year	<u>\$ (514,710)</u>	<u>83,416</u>	<u>—</u>	<u>(431,294)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 58,616
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(41,385)
Payments to employees	(144,109)
Payments for benefits	(73,472)
Payments to students	(55,709)
Collections of student loans	13
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	1
Other receipts	11,369
Net cash used in operating activities	<u>(244,676)</u>
Cash flows from noncapital financing activities:	
State appropriations	133,812
Federal financial aid grants	55,364
State financial aid grants	48,769
Nongovernmental and other financial aid grants	916
Other federal nonoperating grants	32,292
Gifts and grants received for other than capital purposes	1,059
Federal loan program receipts	45,469
Federal loan program disbursements	(45,397)
Monies received on behalf of others	3,224
Monies disbursed on behalf of others	(3,718)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	7,405
Net cash provided by noncapital financing activities	<u>279,195</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	8,930
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	40
Proceeds from sale of capital assets	46,785
Acquisition of capital assets	(101,969)
Transfers to escrow agent	(8,907)
Principal paid on capital debt and leases	(6,428)
Interest paid on capital debt and leases	(13,086)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(74,635)</u>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 530,604
Purchases of investments	(494,133)
Investment income proceeds	3,644
Net cash provided by investing activities	40,115
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	21
Cash and cash equivalents at end of year	<u>\$ 20</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 20
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 20</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (311,058)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	25,730
Change in assets and liabilities:	
Accounts receivable, net	12,883
Student loans receivable, net	(119)
Pledges receivable, net	—
Prepaid expenses and other current assets	362
Other assets	76
Deferred outflows of resources	7,498
Accounts payable	(65)
Accrued salaries and benefits	1,020
Accrued compensated absences	1,192
Unearned revenues	(13,425)
Depository accounts	—
Total other postemployment benefits liability	26,796
Net pension liability	8,992
Other liabilities	4,395
Deferred inflows of resources	(8,953)
Net cash used in operating activities	<u>\$ (244,676)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 12,096
Other assets paid through long-term debt	—
Amortization of net bond premium	1,772
Change in accrued capital asset purchases	640

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,010
Payments from discretely presented component units for other than salaries	8,834
Payments to discretely presented component units for services, space, and programs	4,532
Gifts in kind from discretely presented component units	462
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	4,249
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,629)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	137
Payments to the Office of the Chancellor for state pro rata charges	65
Accounts receivable from the Office of the Chancellor	762
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 allocation received	1,808
Other interagency payments (receipts) for services, space, and programs	(32)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 2,297	13,177	15,474
Short-term investments	393,699	85,751	479,450
Accounts receivable, net	28,387	49,127	77,514
Capital lease receivable, current portion	243	—	243
Notes receivable, current portion	—	946	946
Pledges receivable, net	—	16,459	16,459
Prepaid expenses and other current assets	2,769	4,592	7,361
Total current assets	<u>427,395</u>	<u>170,052</u>	<u>597,447</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	871	871
Accounts receivable, net	5,703	—	5,703
Capital lease receivable, net of current portion	1,753	—	1,753
Notes receivable, net of current portion	—	11,439	11,439
Student loans receivable, net	3,155	—	3,155
Pledges receivable, net	—	43,098	43,098
Endowment investments	—	418,056	418,056
Other long-term investments	405,871	72,293	478,164
Capital assets, net	1,270,688	124,713	1,395,401
Other assets	9,319	16,175	25,494
Total noncurrent assets	<u>1,696,489</u>	<u>686,645</u>	<u>2,383,134</u>
Total assets	<u>2,123,884</u>	<u>856,697</u>	<u>2,980,581</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>232,280</u>	<u>1,179</u>	<u>233,459</u>
Liabilities			
Current liabilities:			
Accounts payable	51,947	14,490	66,437
Accrued salaries and benefits	30,302	6,419	36,721
Accrued compensated absences, current portion	5,426	1,529	6,955
Unearned revenues	62,405	28,017	90,422
Capital lease obligations, current portion	1,682	243	1,925
Long-term debt obligations, current portion	16,875	5,664	22,539
Claims liability for losses and loss adjustment expenses, current portion	—	1,385	1,385
Depository accounts	—	—	—
Other liabilities	10,061	46,394	56,455
Total current liabilities	<u>178,698</u>	<u>104,141</u>	<u>282,839</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	17,330	3,302	20,632
Unearned revenues	1,055	3,953	5,008
Grants refundable	3,242	—	3,242
Capital lease obligations, net of current portion	20,192	1,772	21,964
Long-term debt obligations, net of current portion	1,059,288	88,050	1,147,338
Claims liability for losses and loss adjustment expenses, net of current portion	—	2,839	2,839
Depository accounts	—	—	—
Total other postemployment benefits liability	1,269,152	16,844	1,285,996
Net pension liability	618,706	2,837	621,543
Other liabilities	1,119	9,673	10,792
Total noncurrent liabilities	<u>2,990,084</u>	<u>129,270</u>	<u>3,119,354</u>
Total liabilities	<u>3,168,782</u>	<u>233,411</u>	<u>3,402,193</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>187,301</u>	<u>2,951</u>	<u>190,252</u>
Net Position			
Net position:			
Net investment in capital assets	390,984	31,203	422,187
Restricted for:			
Nonexpendable – endowments	—	277,125	277,125
Expendable:			
Scholarships and fellowships	175	22,518	22,693
Research	—	11,755	11,755
Loans	546	—	546
Capital projects	7,049	25,507	32,556
Debt service	12,210	—	12,210
Others	45	169,045	169,090
Unrestricted	(1,410,928)	84,361	(1,326,567)
Total net position	<u>\$ (999,919)</u>	<u>621,514</u>	<u>(378,405)</u>

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$136,859)	\$ 228,458	—	—	228,458
Grants and contracts, noncapital:				
Federal	100	92,840	—	92,940
State	—	10,620	—	10,620
Local	3,367	1,034	—	4,401
Nongovernmental	2,271	19,819	—	22,090
Sales and services of educational activities	10,102	5,914	—	16,016
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,120)	33,436	37,628	—	71,064
Other operating revenues	15,486	43,358	—	58,844
Total operating revenues	293,220	211,213	—	504,433
Expenses:				
Operating expenses:				
Instruction	274,983	30,434	—	305,417
Research	4,986	45,800	—	50,786
Public service	6,938	52,826	—	59,764
Academic support	69,089	13,920	(813)	82,196
Student services	97,047	802	(1,976)	95,873
Institutional support	99,625	21,429	—	121,054
Operation and maintenance of plant	79,068	6,097	—	85,165
Student grants and scholarships	53,335	5,370	(5,224)	53,481
Auxiliary enterprise expenses	68,380	55,528	—	123,908
Depreciation and amortization	53,947	10,111	—	64,058
Total operating expenses	807,398	242,317	(8,013)	1,041,702
Operating loss	(514,178)	(31,104)	8,013	(537,269)
Nonoperating revenues (expenses):				
State appropriations, noncapital	230,946	—	—	230,946
Federal financial aid grants, noncapital	58,019	—	—	58,019
State financial aid grants, noncapital	45,129	—	—	45,129
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6,904	—	(5,224)	1,680
Other federal nonoperating grants, noncapital	36,399	—	—	36,399
Gifts, noncapital	10,588	70,732	(10,423)	70,897
Investment income, net	31,984	2,278	—	34,262
Endowment income, net	—	56,117	—	56,117
Interest expense	(21,867)	(3,438)	—	(25,305)
Other nonoperating revenues (expenses)	8,644	(68,054)	36,090	(23,320)
Net nonoperating income	406,746	57,635	20,443	484,824
Income (loss) before other revenues	(107,432)	26,531	28,456	(52,445)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	28,495	9,102	(28,456)	9,141
Additions to permanent endowments	—	50,308	—	50,308
Increase (decrease) in net position	(78,937)	85,941	—	7,004
Net position:				
Net position at beginning of year	(920,982)	535,573	—	(385,409)
Net position at end of year	\$ (999,919)	621,514	—	(378,405)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 236,538
Federal grants and contracts	100
State grants and contracts	—
Local grants and contracts	2,502
Nongovernmental grants and contracts	2,271
Payments to suppliers	(161,144)
Payments to employees	(281,841)
Payments for benefits	(134,984)
Payments to students	(53,265)
Collections of student loans	88
Sales and services of educational activities	9,557
Sales and services of auxiliary enterprises	31,118
Other receipts	7,591
Net cash used in operating activities	<u>(341,469)</u>
Cash flows from noncapital financing activities:	
State appropriations	200,603
Federal financial aid grants	57,568
State financial aid grants	45,129
Nongovernmental and other financial aid grants	6,904
Other federal nonoperating grants	36,399
Gifts and grants received for other than capital purposes	10,588
Federal loan program receipts	88,479
Federal loan program disbursements	(87,873)
Monies received on behalf of others	881
Monies disbursed on behalf of others	(1,809)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	6,481
Net cash provided by noncapital financing activities	<u>363,350</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	649,278
State appropriations	4,282
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	28,495
Proceeds from sale of capital assets	—
Acquisition of capital assets	(304,083)
Transfers to escrow agent	(3,593)
Principal paid on capital debt and leases	(167,867)
Interest paid on capital debt and leases	(22,386)
Principal collection on capital leases	235
Interest collection on capital leases	—
Net cash provided by capital and related financing activities	<u>184,361</u>

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 1,387,298
Purchases of investments	(1,604,183)
Investment income proceeds	12,781
Net cash used in investing activities	(204,104)
Net increase in cash and cash equivalents	2,138
Cash and cash equivalents at beginning of year	159
Cash and cash equivalents at end of year	<u>\$ 2,297</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,297
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 2,297</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (514,178)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	53,947
Change in assets and liabilities:	
Accounts receivable, net	(12,583)
Student loans receivable, net	(6)
Pledges receivable, net	—
Prepaid expenses and other current assets	1
Other assets	(16)
Deferred outflows of resources	13,331
Accounts payable	(605)
Accrued salaries and benefits	(1,205)
Accrued compensated absences	744
Unearned revenues	6,883
Depository accounts	—
Total other postemployment benefits liability	91,563
Net pension liability	29,575
Other liabilities	1,203
Deferred inflows of resources	(10,123)
Net cash used in operating activities	<u>\$ (341,469)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 30,343
Other assets paid through long-term debt	—
Amortization of net bond premium	2,961
Change in accrued capital asset purchases	26,814

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,749
Payments from discretely presented component units for other than salaries	5,293
Payments to discretely presented component units for services, space, and programs	32,702
Gifts in kind from discretely presented component units	3,577
Gifts (cash or assets) from discretely presented component units	42,554
Accounts receivable from discretely presented component units	20,340
Other amounts receivable from discretely presented component units	1,996
Accounts payable to discretely presented component units	(2,650)
Other amounts payable to discretely presented component units	(754)
Payments to the Office of the Chancellor for administrative activities	2,585
Payments to the Office of the Chancellor for state pro rata charges	116
Accounts receivable from the Office of the Chancellor	1,066
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 allocation received	2,891
Other interagency payments (receipts) for services, space, and programs	(265)

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 5	4,404	4,409
Short-term investments	172,606	74,656	247,262
Accounts receivable, net	21,644	1,477	23,121
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	8	8
Pledges receivable, net	—	526	526
Prepaid expenses and other current assets	5,788	95	5,883
Total current assets	<u>200,043</u>	<u>81,166</u>	<u>281,209</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	2,785	—	2,785
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,101	—	2,101
Pledges receivable, net	—	7,535	7,535
Endowment investments	—	152,778	152,778
Other long-term investments	10,685	12,679	23,364
Capital assets, net	579,870	2,436	582,306
Other assets	12	878	890
Total noncurrent assets	<u>595,453</u>	<u>176,306</u>	<u>771,759</u>
Total assets	<u>795,496</u>	<u>257,472</u>	<u>1,052,968</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>193,680</u>	<u>—</u>	<u>193,680</u>
Liabilities			
Current liabilities:			
Accounts payable	16,586	1,978	18,564
Accrued salaries and benefits	28,951	222	29,173
Accrued compensated absences, current portion	8,338	470	8,808
Unearned revenues	16,198	45	16,243
Capital lease obligations, current portion	933	—	933
Long-term debt obligations, current portion	10,305	—	10,305
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	303	—	303
Other liabilities	4,846	63	4,909
Total current liabilities	<u>86,460</u>	<u>2,778</u>	<u>89,238</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	11,281	—	11,281
Unearned revenues	—	—	—
Grants refundable	2,340	—	2,340
Capital lease obligations, net of current portion	18,222	—	18,222
Long-term debt obligations, net of current portion	226,301	—	226,301
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	960,178	4,586	964,764
Net pension liability	541,149	—	541,149
Other liabilities	—	845	845
Total noncurrent liabilities	<u>1,759,471</u>	<u>5,431</u>	<u>1,764,902</u>
Total liabilities	<u>1,845,931</u>	<u>8,209</u>	<u>1,854,140</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>138,448</u>	<u>275</u>	<u>138,723</u>
Net Position			
Net position:			
Net investment in capital assets	325,849	2,321	328,170
Restricted for:			
Nonexpendable – endowments	—	98,642	98,642
Expendable:			
Scholarships and fellowships	—	101,063	101,063
Research	—	—	—
Loans	1,500	—	1,500
Capital projects	2,316	2,026	4,342
Debt service	19	—	19
Others	—	—	—
Unrestricted	(1,324,887)	44,936	(1,279,951)
Total net position	<u>\$ (95,203)</u>	<u>248,988</u>	<u>(746,215)</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$107,598)	\$ 126,896	—	—	126,896
Grants and contracts, noncapital:				
Federal	21,923	216	—	22,139
State	2,155	170	—	2,325
Local	777	345	—	1,122
Nongovernmental	3,707	3,411	—	7,118
Sales and services of educational activities	113	—	—	113
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,458)	14,365	7,853	—	22,218
Other operating revenues	11,971	10,897	—	22,868
Total operating revenues	<u>181,907</u>	<u>22,892</u>	<u>—</u>	<u>204,799</u>
Expenses:				
Operating expenses:				
Instruction	232,434	2,013	—	234,447
Research	14,604	671	—	15,275
Public service	8,153	557	—	8,710
Academic support	52,435	1,837	—	54,272
Student services	60,021	5,589	—	65,610
Institutional support	51,290	3,791	—	55,081
Operation and maintenance of plant	38,471	975	—	39,446
Student grants and scholarships	61,445	4,617	(2,466)	63,596
Auxiliary enterprise expenses	33,632	5,003	—	38,635
Depreciation and amortization	32,298	563	—	32,861
Total operating expenses	<u>584,783</u>	<u>25,616</u>	<u>(2,466)</u>	<u>607,933</u>
Operating loss	<u>(402,876)</u>	<u>(2,724)</u>	<u>2,466</u>	<u>(403,134)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	201,315	—	—	201,315
Federal financial aid grants, noncapital	57,902	—	—	57,902
State financial aid grants, noncapital	34,330	—	—	34,330
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	33,705	—	—	33,705
Gifts, noncapital	109	4,739	(2,466)	2,382
Investment income, net	12,994	5,738	—	18,732
Endowment income, net	—	37,630	—	37,630
Interest expense	(9,697)	—	—	(9,697)
Other nonoperating revenues (expenses)	52,557	(4,021)	—	48,536
Net nonoperating income	<u>383,215</u>	<u>44,086</u>	<u>(2,466)</u>	<u>424,835</u>
Income (loss) before other revenues	<u>(19,661)</u>	<u>41,362</u>	<u>—</u>	<u>21,701</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,952	—	—	2,952
Additions to permanent endowments	—	5,490	—	5,490
Increase (decrease) in net position	<u>(16,709)</u>	<u>46,852</u>	<u>—</u>	<u>30,143</u>
Net position:				
Net position at beginning of year	(978,494)	202,136	—	(776,358)
Net position at end of year	<u>\$ (995,203)</u>	<u>248,988</u>	<u>—</u>	<u>(746,215)</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 128,702
Federal grants and contracts	21,813
State grants and contracts	2,863
Local grants and contracts	1,303
Nongovernmental grants and contracts	3,511
Payments to suppliers	(81,603)
Payments to employees	(228,329)
Payments for benefits	(114,552)
Payments to students	(63,043)
Collections of student loans	84
Sales and services of educational activities	113
Sales and services of auxiliary enterprises	16,931
Other receipts	11,013
Net cash used in operating activities	<u>(301,194)</u>
Cash flows from noncapital financing activities:	
State appropriations	179,361
Federal financial aid grants	57,878
State financial aid grants	35,319
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	33,705
Gifts and grants received for other than capital purposes	46
Federal loan program receipts	75,649
Federal loan program disbursements	(75,564)
Monies received on behalf of others	3,288
Monies disbursed on behalf of others	(3,323)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	49,058
Net cash provided by noncapital financing activities	<u>355,417</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	4,020
State appropriations	7
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	2,952
Proceeds from sale of capital assets	—
Acquisition of capital assets	(56,213)
Transfers to escrow agent	(4,001)
Principal paid on capital debt and leases	(10,778)
Interest paid on capital debt and leases	(14,052)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(78,065)</u>

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 774,743
Purchases of investments	(757,296)
Investment income proceeds	6,379
Net cash provided by investing activities	23,826
Net decrease in cash and cash equivalents	(16)
Cash and cash equivalents at beginning of year	21
Cash and cash equivalents at end of year	<u>\$ 5</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 5
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 5</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (402,876)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	32,298
Change in assets and liabilities:	
Accounts receivable, net	4,323
Student loans receivable, net	5
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,399)
Other assets	26
Deferred outflows of resources	12,002
Accounts payable	6,618
Accrued salaries and benefits	24
Accrued compensated absences	2,032
Unearned revenues	1,847
Depository accounts	—
Total other postemployment benefits liability	46,930
Net pension liability	13,190
Other liabilities	(175)
Deferred inflows of resources	(16,039)
Net cash used in operating activities	<u>\$ (301,194)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 21,954
Other assets paid through long-term debt	—
Amortization of net bond premium	1,858
Change in accrued capital asset purchases	4,598

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

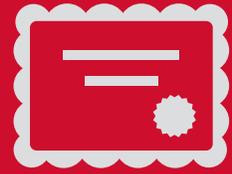
Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,535
Payments from discretely presented component units for other than salaries	4,829
Payments to discretely presented component units for services, space, and programs	10,793
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	5,163
Accounts receivable from discretely presented component units	916
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(176)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	305
Payments to the Office of the Chancellor for state pro rata charges	171
Accounts receivable from the Office of the Chancellor	6,822
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	(3)
State lottery allocation received	2,680
Other interagency payments (receipts) for services, space, and programs	251

See accompanying independent auditors' report.



129,000

degrees conferred
annually



SAN JOSE STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 25	42,144	42,169
Short-term investments	230,961	32,227	263,188
Accounts receivable, net	38,220	13,158	51,378
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	4,394	4,394
Prepaid expenses and other current assets	4,077	806	4,883
Total current assets	<u>273,283</u>	<u>92,729</u>	<u>366,012</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	147	147
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	190	190
Student loans receivable, net	3,107	—	3,107
Pledges receivable, net	—	8,688	8,688
Endowment investments	—	197,031	197,031
Other long-term investments	116,214	21,300	137,514
Capital assets, net	834,425	26,256	860,681
Other assets	4,273	15,317	19,590
Total noncurrent assets	<u>958,019</u>	<u>268,929</u>	<u>1,226,948</u>
Total assets	<u>1,231,302</u>	<u>361,658</u>	<u>1,592,960</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>210,721</u>	<u>11,597</u>	<u>222,318</u>
Liabilities			
Current liabilities:			
Accounts payable	24,976	4,918	29,894
Accrued salaries and benefits	31,278	3,378	34,656
Accrued compensated absences, current portion	4,689	2,027	6,716
Unearned revenues	62,060	4,667	66,727
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	14,555	—	14,555
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	10	—	10
Other liabilities	7,927	2,528	10,455
Total current liabilities	<u>145,495</u>	<u>17,518</u>	<u>163,013</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	14,804	163	14,967
Unearned revenues	4,857	12,244	17,101
Grants refundable	4,233	—	4,233
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	502,798	—	502,798
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	273	273
Total other postemployment benefits liability	1,052,889	16,726	1,069,615
Net pension liability	562,518	—	562,518
Other liabilities	6,921	1,962	8,883
Total noncurrent liabilities	<u>2,149,020</u>	<u>31,368</u>	<u>2,180,388</u>
Total liabilities	<u>2,294,515</u>	<u>48,886</u>	<u>2,343,401</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>151,653</u>	<u>13,641</u>	<u>165,294</u>
Net Position			
Net position:			
Net investment in capital assets	322,076	19,058	341,134
Restricted for:			
Nonexpendable – endowments	—	128,274	128,274
Expendable:			
Scholarships and fellowships	9,220	3,662	12,882
Research	—	28	28
Loans	6,423	—	6,423
Capital projects	247	—	247
Debt service	55	—	55
Others	—	122,483	122,483
Unrestricted	(1,342,166)	37,223	(1,304,943)
Total net position	<u>\$ (1,004,145)</u>	<u>310,728</u>	<u>(693,417)</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$109,327)	\$ 215,613	—	—	215,613
Grants and contracts, noncapital:				
Federal	—	27,451	—	27,451
State	—	10,403	—	10,403
Local	—	2,516	—	2,516
Nongovernmental	—	6,285	—	6,285
Sales and services of educational activities	2,109	—	—	2,109
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,175)	11,099	2,196	(11)	13,284
Other operating revenues	12,997	32,294	(4)	45,287
Total operating revenues	<u>241,818</u>	<u>81,145</u>	<u>(15)</u>	<u>322,948</u>
Expenses:				
Operating expenses:				
Instruction	285,336	6,795	1	292,132
Research	1,615	33,934	—	35,549
Public service	5,430	13	—	5,443
Academic support	53,959	9,260	(58)	63,161
Student services	97,272	13,290	—	110,562
Institutional support	74,072	15,687	(5)	89,754
Operation and maintenance of plant	65,549	589	—	66,138
Student grants and scholarships	55,807	5,783	(3,742)	57,848
Auxiliary enterprise expenses	27,406	9,708	—	37,114
Depreciation and amortization	38,860	4,068	—	42,928
Total operating expenses	<u>705,306</u>	<u>99,127</u>	<u>(3,804)</u>	<u>800,629</u>
Operating loss	<u>(463,488)</u>	<u>(17,982)</u>	<u>3,789</u>	<u>(477,681)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	196,365	—	—	196,365
Federal financial aid grants, noncapital	51,660	660	—	52,320
State financial aid grants, noncapital	49,705	1,281	—	50,986
Local financial aid grants, noncapital	—	36	—	36
Nongovernmental and other financial aid grants, noncapital	—	146	—	146
Other federal nonoperating grants, noncapital	63,166	2,532	—	65,698
Gifts, noncapital	11,231	12,984	(3,556)	20,659
Investment income, net	21,442	9,670	—	31,112
Endowment income, net	—	49,156	—	49,156
Interest expense	(16,388)	—	—	(16,388)
Other nonoperating revenues	34,754	1,549	—	36,303
Net nonoperating income	<u>411,935</u>	<u>78,014</u>	<u>(3,556)</u>	<u>486,393</u>
Income (loss) before other revenues	<u>(51,553)</u>	<u>60,032</u>	<u>233</u>	<u>8,712</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,518	(133)	(233)	3,152
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(48,035)</u>	<u>59,899</u>	<u>—</u>	<u>11,864</u>
Net position:				
Net position at beginning of year	(956,110)	250,829	—	(705,281)
Net position at end of year	<u>\$ (1,004,145)</u>	<u>310,728</u>	<u>—</u>	<u>(693,417)</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 222,665
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(116,744)
Payments to employees	(262,178)
Payments for benefits	(128,602)
Payments to students	(55,902)
Collections of student loans	45
Sales and services of educational activities	2,109
Sales and services of auxiliary enterprises	15,717
Other receipts	17,497
Net cash used in operating activities	<u>(305,393)</u>
Cash flows from noncapital financing activities:	
State appropriations	172,113
Federal financial aid grants	32,522
State financial aid grants	49,705
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	86,944
Gifts and grants received for other than capital purposes	11,231
Federal loan program receipts	82,700
Federal loan program disbursements	(83,047)
Monies received on behalf of others	3,135
Monies disbursed on behalf of others	(2,004)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	38,746
Net cash provided by noncapital financing activities	<u>392,045</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	201,912
State appropriations	423
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	3,518
Proceeds from sale of capital assets	18
Acquisition of capital assets	(76,158)
Transfers to escrow agent	(158,127)
Principal paid on capital debt and leases	(43,693)
Interest paid on capital debt and leases	(18,534)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(90,641)</u>

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 1,078,056
Purchases of investments	(1,082,431)
Investment income proceeds	8,364
Net cash provided by investing activities	<u>3,989</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	25
Cash and cash equivalents at end of year	<u>\$ 25</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 25
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 25</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (463,488)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	38,860
Change in assets and liabilities:	
Accounts receivable, net	5,616
Student loans receivable, net	(51)
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,724)
Other assets	316
Deferred outflows of resources	19,703
Accounts payable	1,848
Accrued salaries and benefits	1,427
Accrued compensated absences	1,924
Unearned revenues	8,628
Depository accounts	—
Total other postemployment benefits liability	72,310
Net pension liability	22,806
Other liabilities	285
Deferred inflows of resources	(13,853)
Net cash used in operating activities	<u>\$ (305,393)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 24,252
Other assets paid through long-term debt	—
Amortization of net bond premium	1,303
Change in accrued capital asset purchases	19,987

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,648
Payments from discretely presented component units for other than salaries	7,802
Payments to discretely presented component units for services, space, and programs	23,484
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	12,446
Accounts receivable from discretely presented component units	3,932
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,019)
Other amounts payable to discretely presented component units	(2,923)
Payments to the Office of the Chancellor for administrative activities	323
Payments to the Office of the Chancellor for state pro rata charges	241
Accounts receivable from the Office of the Chancellor	4,813
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	17,034
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,747
Other interagency payments (receipts) for services, space, and programs	275

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 1	33,937	33,938
Short-term investments	229,243	88,515	317,758
Accounts receivable, net	4,836	7,653	12,489
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	20,265	20,265
Prepaid expenses and other current assets	2,747	2,054	4,801
Total current assets	<u>236,827</u>	<u>152,424</u>	<u>389,251</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	606	606
Accounts receivable, net	1,386	15	1,401
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	1,195	1,195
Student loans receivable, net	1,813	—	1,813
Pledges receivable, net	—	31,717	31,717
Endowment investments	—	287,268	287,268
Other long-term investments	55,840	113,248	169,088
Capital assets, net	927,663	79,003	1,006,666
Other assets	209	601	810
Total noncurrent assets	<u>986,911</u>	<u>513,653</u>	<u>1,500,564</u>
Total assets	<u>1,223,738</u>	<u>666,077</u>	<u>1,889,815</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>192,286</u>	<u>5,015</u>	<u>197,301</u>
Liabilities			
Current liabilities:			
Accounts payable	22,310	6,138	28,448
Accrued salaries and benefits	25,172	1,912	27,084
Accrued compensated absences, current portion	6,033	1,170	7,203
Unearned revenues	29,504	11,190	40,694
Capital lease obligations, current portion	189	—	189
Long-term debt obligations, current portion	16,431	470	16,901
Claims liability for losses and loss adjustment expenses, current portion	—	45	45
Depository accounts	356	2,089	2,445
Other liabilities	4,429	216	4,645
Total current liabilities	<u>104,424</u>	<u>23,230</u>	<u>127,654</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	9,785	170	9,955
Unearned revenues	—	—	—
Grants refundable	1,360	—	1,360
Capital lease obligations, net of current portion	626	—	626
Long-term debt obligations, net of current portion	553,451	28,376	581,827
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	4,362	4,362
Total other postemployment benefits liability	938,255	3,594	941,849
Net pension liability	533,739	23,866	557,605
Other liabilities	205	10,290	10,495
Total noncurrent liabilities	<u>2,037,421</u>	<u>70,658</u>	<u>2,108,079</u>
Total liabilities	<u>2,141,845</u>	<u>93,888</u>	<u>2,235,733</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>135,929</u>	<u>22,759</u>	<u>158,688</u>
Net Position			
Net position:			
Net investment in capital assets	365,989	39,342	405,331
Restricted for:			
Nonexpendable – endowments	—	144,732	144,732
Expendable:			
Scholarships and fellowships	5,473	30,642	36,115
Research	—	11,368	11,368
Loans	3,292	—	3,292
Capital projects	861	56,407	57,268
Debt service	41	—	41
Others	119	186,990	187,109
Unrestricted	(1,237,525)	84,964	(1,152,561)
Total net position	<u>\$ (861,750)</u>	<u>554,445</u>	<u>(307,305)</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, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$53,806)	\$ 224,806	—	—	224,806
Grants and contracts, noncapital:				
Federal	—	13,284	—	13,284
State	—	4,689	—	4,689
Local	—	725	—	725
Nongovernmental	—	4,228	—	4,228
Sales and services of educational activities	1,110	—	—	1,110
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,018)	42,387	24,034	—	66,421
Other operating revenues	14,090	28,885	(5,518)	37,457
Total operating revenues	<u>282,393</u>	<u>75,845</u>	<u>(5,518)</u>	<u>352,720</u>
Expenses:				
Operating expenses:				
Instruction	219,509	3,166	(2,616)	220,059
Research	3,847	21,033	(471)	24,409
Public service	(267)	12,050	(152)	11,631
Academic support	76,229	7,107	(4,396)	78,940
Student services	92,959	8,121	(3,541)	97,539
Institutional support	26,852	19,709	(3,821)	42,740
Operation and maintenance of plant	45,976	24,814	(19,595)	51,195
Student grants and scholarships	27,705	6,264	(1,139)	32,830
Auxiliary enterprise expenses	43,659	26,173	(28)	69,804
Depreciation and amortization	45,541	3,325	—	48,866
Total operating expenses	<u>582,010</u>	<u>131,762</u>	<u>(35,759)</u>	<u>678,013</u>
Operating loss	<u>(299,617)</u>	<u>(55,917)</u>	<u>30,241</u>	<u>(325,293)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	161,802	—	—	161,802
Federal financial aid grants, noncapital	18,426	—	—	18,426
State financial aid grants, noncapital	21,353	—	—	21,353
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	10,229	—	(2,346)	7,883
Other federal nonoperating grants, noncapital	27,126	—	—	27,126
Gifts, noncapital	8,697	24,959	(8,142)	25,514
Investment income, net	17,144	17,518	—	34,662
Endowment income, net	—	66,370	—	66,370
Interest expense	(23,167)	(1,086)	—	(24,253)
Other nonoperating revenues	35,418	2,752	(23)	38,147
Net nonoperating income	<u>277,028</u>	<u>110,513</u>	<u>(10,511)</u>	<u>377,030</u>
Income (loss) before other revenues	<u>(22,589)</u>	<u>54,596</u>	<u>19,730</u>	<u>51,737</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	31,690	5,429	(19,730)	17,389
Additions to permanent endowments	—	7,316	—	7,316
Increase in net position	<u>9,101</u>	<u>67,341</u>	<u>—</u>	<u>76,442</u>
Net position:				
Net position at beginning of year	(870,851)	487,104	—	(383,747)
Net position at end of year	<u>\$ (861,750)</u>	<u>554,445</u>	<u>—</u>	<u>(307,305)</u>

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 224,908
Federal grants and contracts	16,441
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(91,497)
Payments to employees	(226,256)
Payments for benefits	(114,007)
Payments to students	(27,779)
Collections of student loans	454
Sales and services of educational activities	1,110
Sales and services of auxiliary enterprises	41,255
Other receipts	11,674
Net cash used in operating activities	<u>(163,697)</u>
Cash flows from noncapital financing activities:	
State appropriations	140,939
Federal financial aid grants	18,426
State financial aid grants	21,353
Nongovernmental and other financial aid grants	10,229
Other federal nonoperating grants	28,098
Gifts and grants received for other than capital purposes	8,697
Federal loan program receipts	71,243
Federal loan program disbursements	(71,256)
Monies received on behalf of others	9,781
Monies disbursed on behalf of others	(9,669)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	34,284
Net cash provided by noncapital financing activities	<u>262,125</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	28,855
State appropriations	1,752
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	31,690
Proceeds from sale of capital assets	2,278
Acquisition of capital assets	(70,826)
Transfers to escrow agent	(28,769)
Principal paid on capital debt and leases	(15,877)
Interest paid on capital debt and leases	(25,026)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(75,923)</u>

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 766,010
Purchases of investments	(794,725)
Investment income proceeds	6,203
Net cash used in investing activities	(22,512)
Net decrease in cash and cash equivalents	(7)
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 1</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 1</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (299,617)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	45,541
Change in assets and liabilities:	
Accounts receivable, net	1,886
Student loans receivable, net	381
Pledges receivable, net	—
Prepaid expenses and other current assets	(315)
Other assets	109
Deferred outflows of resources	23,676
Accounts payable	6,587
Accrued salaries and benefits	(102)
Accrued compensated absences	596
Unearned revenues	16,998
Depository accounts	—
Total other postemployment benefits liability	40,873
Net pension liability	18,182
Other liabilities	(2,136)
Deferred inflows of resources	(16,356)
Net cash used in operating activities	<u>\$ (163,697)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 20,863
Other assets paid through long-term debt	—
Amortization of net bond premium	2,906
Change in accrued capital asset purchases	1,856

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,386
Payments from discretely presented component units for other than salaries	33,900
Payments to discretely presented component units for services, space, and programs	7,124
Gifts in kind from discretely presented component units	757
Gifts (cash or assets) from discretely presented component units	16,918
Accounts receivable from discretely presented component units	568
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(585)
Other amounts payable to discretely presented component units	(1,195)
Payments to the Office of the Chancellor for administrative activities	217
Payments to the Office of the Chancellor for state pro rata charges	126
Accounts receivable from the Office of the Chancellor	201
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 allocation received	1,836
Other interagency payments (receipts) for services, space, and programs	324

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 8	4,245	4,253
Short-term investments	92,183	14,922	107,105
Accounts receivable, net	4,801	6,497	11,298
Capital lease receivable, current portion	955	3,502	4,457
Notes receivable, current portion	29	—	29
Pledges receivable, net	—	1,524	1,524
Prepaid expenses and other current assets	2,585	29	2,614
Total current assets	<u>100,561</u>	<u>30,719</u>	<u>131,280</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	262	262
Accounts receivable, net	700	—	700
Capital lease receivable, net of current portion	13,900	92,465	106,365
Notes receivable, net of current portion	93	—	93
Student loans receivable, net	237	50	287
Pledges receivable, net	—	742	742
Endowment investments	—	35,766	35,766
Other long-term investments	5,481	9,526	15,007
Capital assets, net	279,004	21,969	300,973
Other assets	16	103	119
Total noncurrent assets	<u>299,431</u>	<u>160,883</u>	<u>460,314</u>
Total assets	<u>399,992</u>	<u>191,602</u>	<u>591,594</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>89,860</u>	<u>—</u>	<u>89,860</u>
Liabilities			
Current liabilities:			
Accounts payable	5,190	3,164	8,354
Accrued salaries and benefits	13,819	313	14,132
Accrued compensated absences, current portion	3,748	819	4,567
Unearned revenues	8,753	3,735	12,488
Capital lease obligations, current portion	1,928	1,080	3,008
Long-term debt obligations, current portion	3,820	976	4,796
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	79	—	79
Other liabilities	3,822	—	3,822
Total current liabilities	<u>41,159</u>	<u>10,087</u>	<u>51,246</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,108	—	5,108
Unearned revenues	—	36,378	36,378
Grants refundable	100	—	100
Capital lease obligations, net of current portion	60,143	14,683	74,826
Long-term debt obligations, net of current portion	89,172	62,154	151,326
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	375,673	1,511	377,184
Net pension liability	260,458	—	260,458
Other liabilities	—	—	—
Total noncurrent liabilities	<u>790,654</u>	<u>114,726</u>	<u>905,380</u>
Total liabilities	<u>831,813</u>	<u>124,813</u>	<u>956,626</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>55,807</u>	<u>128</u>	<u>55,935</u>
Net Position			
Net position:			
Net investment in capital assets	140,397	1,750	142,147
Restricted for:			
Nonexpendable – endowments	—	23,024	23,024
Expendable:			
Scholarships and fellowships	—	6,602	6,602
Research	—	—	—
Loans	281	—	281
Capital projects	370	34	404
Debt service	11	—	11
Others	—	5,637	5,637
Unrestricted	(538,827)	29,614	(509,213)
Total net position	<u>\$ (397,768)</u>	<u>66,661</u>	<u>(331,107)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$65,039)	\$ 81,073	—	—	81,073
Grants and contracts, noncapital:				
Federal	—	11,196	—	11,196
State	—	1,775	—	1,775
Local	—	17	—	17
Nongovernmental	—	588	—	588
Sales and services of educational activities	12	2,180	—	2,192
Sales and services of auxiliary enterprises (net of scholarship allowances of \$551)	2,943	7,515	—	10,458
Other operating revenues	5,995	2,373	—	8,368
Total operating revenues	<u>90,023</u>	<u>25,644</u>	<u>—</u>	<u>115,667</u>
Expenses:				
Operating expenses:				
Instruction	104,990	3,350	(56)	108,284
Research	1,941	8,333	—	10,274
Public service	285	486	(18)	753
Academic support	36,015	974	(7)	36,982
Student services	32,833	5,537	(1,058)	37,312
Institutional support	37,336	1,442	(107)	38,671
Operation and maintenance of plant	28,295	—	(363)	27,932
Student grants and scholarships	37,163	2,417	(2,205)	37,375
Auxiliary enterprise expenses	8,197	3,296	—	11,493
Depreciation and amortization	15,575	1,704	—	17,279
Total operating expenses	<u>302,630</u>	<u>27,539</u>	<u>(3,814)</u>	<u>326,355</u>
Operating loss	<u>(212,607)</u>	<u>(1,895)</u>	<u>3,814</u>	<u>(210,688)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	107,837	—	—	107,837
Federal financial aid grants, noncapital	35,070	—	—	35,070
State financial aid grants, noncapital	29,646	—	—	29,646
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	20,029	—	—	20,029
Gifts, noncapital	2,613	2,624	(2,613)	2,624
Investment income, net	7,705	4,459	—	12,164
Endowment income, net	—	7,813	—	7,813
Interest expense	(5,732)	(2,900)	—	(8,632)
Other nonoperating revenues	1,814	77	—	1,891
Net nonoperating income	<u>198,982</u>	<u>12,073</u>	<u>(2,613)</u>	<u>208,442</u>
Income (loss) before other revenues	<u>(13,625)</u>	<u>10,178</u>	<u>1,201</u>	<u>(2,246)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,201	—	(1,201)	—
Additions to permanent endowments	—	425	—	425
Increase (decrease) in net position	<u>(12,424)</u>	<u>10,603</u>	<u>—</u>	<u>(1,821)</u>
Net position:				
Net position at beginning of year	<u>(385,344)</u>	<u>56,058</u>	<u>—</u>	<u>(329,286)</u>
Net position at end of year	<u>\$ (397,768)</u>	<u>66,661</u>	<u>—</u>	<u>(331,107)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 82,442
Federal grants and contracts	2
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(39,692)
Payments to employees	(118,337)
Payments for benefits	(60,059)
Payments to students	(37,198)
Collections of student loans	36
Sales and services of educational activities	12
Sales and services of auxiliary enterprises	2,998
Other receipts	5,489
Net cash used in operating activities	<u>(164,307)</u>
Cash flows from noncapital financing activities:	
State appropriations	99,964
Federal financial aid grants	35,172
State financial aid grants	29,814
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	20,029
Gifts and grants received for other than capital purposes	2,613
Federal loan program receipts	45,402
Federal loan program disbursements	(45,284)
Monies received on behalf of others	1,496
Monies disbursed on behalf of others	(1,512)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(905)
Interest paid on long-term debt	(758)
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	905
Interest collections on capital leases	—
Principal collections on notes receivable	28
Interest collections on notes receivable	—
Other noncapital financing activities	1,279
Net cash provided by noncapital financing activities	<u>188,243</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	3,200
State appropriations	581
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(1,428)
Transfers to escrow agent	(3,189)
Principal paid on capital debt and leases	(4,486)
Interest paid on capital debt and leases	(5,236)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(10,558)</u>

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 429,476
Purchases of investments	(446,760)
Investment income proceeds	3,906
Net cash used in investing activities	<u>(13,378)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 8</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 8
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 8</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (212,607)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,575
Change in assets and liabilities:	
Accounts receivable, net	(578)
Student loans receivable, net	1
Pledges receivable, net	—
Prepaid expenses and other current assets	(393)
Other assets	36
Deferred outflows of resources	12,414
Accounts payable	(61)
Accrued salaries and benefits	807
Accrued compensated absences	705
Unearned revenues	2,584
Depository accounts	(1,897)
Total other postemployment benefits liability	18,018
Net pension liability	6,049
Other liabilities	2,040
Deferred inflows of resources	(7,000)
Net cash used in operating activities	<u>\$ (164,307)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 7,874
Other assets paid through long-term debt	—
Amortization of net bond premium	398
Change in accrued capital asset purchases	523

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 460
Payments from discretely presented component units for other than salaries	5,412
Payments to discretely presented component units for services, space, and programs	9,967
Gifts in kind from discretely presented component units	27
Gifts (cash or assets) from discretely presented component units	3,786
Accounts receivable from discretely presented component units	886
Other amounts receivable from discretely presented component units	224
Accounts payable to discretely presented component units	(1,138)
Other amounts payable to discretely presented component units	(98,183)
Payments to the Office of the Chancellor for administrative activities	146
Payments to the Office of the Chancellor for state pro rata charges	159
Accounts receivable from the Office of the Chancellor	777
Accounts payable to the Office of the Chancellor	(1,083)
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,212
Other interagency payments (receipts) for services, space, and programs	187

See accompanying independent auditors' report.



NEARLY 56,000
faculty and staff are
employed by the CSU

SONOMA STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2021

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 269	1,770	2,039
Short-term investments	90,698	5,994	96,692
Accounts receivable, net	8,877	174	9,051
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,252	1,252
Prepaid expenses and other current assets	880	50	930
Total current assets	<u>100,724</u>	<u>9,240</u>	<u>109,964</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	23	23
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	879	—	879
Pledges receivable, net	—	876	876
Endowment investments	—	44,826	44,826
Other long-term investments	6,544	20,631	27,175
Capital assets, net	387,636	560	388,196
Other assets	—	1,170	1,170
Total noncurrent assets	<u>395,059</u>	<u>68,086</u>	<u>463,145</u>
Total assets	<u>495,783</u>	<u>77,326</u>	<u>573,109</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>82,991</u>	<u>—</u>	<u>82,991</u>
Liabilities			
Current liabilities:			
Accounts payable	8,206	658	8,864
Accrued salaries and benefits	8,719	7	8,726
Accrued compensated absences, current portion	3,286	11	3,297
Unearned revenues	7,649	161	7,810
Capital lease obligations, current portion	145	—	145
Long-term debt obligations, current portion	7,305	—	7,305
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,206	1,433	2,639
Total current liabilities	<u>36,516</u>	<u>2,270</u>	<u>38,786</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,118	13	4,131
Unearned revenues	25	—	25
Grants refundable	848	—	848
Capital lease obligations, net of current portion	35	—	35
Long-term debt obligations, net of current portion	201,035	—	201,035
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	428,067	—	428,067
Net pension liability	216,627	—	216,627
Other liabilities	—	—	—
Total noncurrent liabilities	<u>850,755</u>	<u>13</u>	<u>850,768</u>
Total liabilities	<u>887,271</u>	<u>2,283</u>	<u>889,554</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>61,846</u>	<u>—</u>	<u>61,846</u>
Net Position			
Net position:			
Net investment in capital assets	183,230	560	183,790
Restricted for:			
Nonexpendable – endowments	—	45,936	45,936
Expendable:			
Scholarships and fellowships	2,188	1,321	3,509
Research	—	—	—
Loans	244	—	244
Capital projects	2,886	—	2,886
Debt service	17	—	17
Others	6,774	18,733	25,507
Unrestricted	(565,682)	8,493	(557,189)
Total net position	<u>\$ (370,343)</u>	<u>75,043</u>	<u>(295,300)</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,731)	\$ 43,171	—	—	43,171
Grants and contracts, noncapital:				
Federal	8,750	33	—	8,783
State	1,393	184	—	1,577
Local	148	—	—	148
Nongovernmental	1,116	—	—	1,116
Sales and services of educational activities	18	2	—	20
Sales and services of auxiliary enterprises (net of scholarship allowances of \$763)	4,811	314	—	5,125
Other operating revenues	8,309	3,176	—	11,485
Total operating revenues	<u>67,716</u>	<u>3,709</u>	<u>—</u>	<u>71,425</u>
Expenses:				
Operating expenses:				
Instruction	66,708	—	—	66,708
Research	2,465	—	—	2,465
Public service	10,168	—	—	10,168
Academic support	20,822	—	—	20,822
Student services	24,828	1,934	—	26,762
Institutional support	31,530	187	—	31,717
Operation and maintenance of plant	16,692	—	—	16,692
Student grants and scholarships	28,328	—	—	28,328
Auxiliary enterprise expenses	19,941	4,588	—	24,529
Depreciation and amortization	19,963	88	—	20,051
Total operating expenses	<u>241,445</u>	<u>6,797</u>	<u>—</u>	<u>248,242</u>
Operating loss	<u>(173,729)</u>	<u>(3,088)</u>	<u>—</u>	<u>(176,817)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	82,297	—	—	82,297
Federal financial aid grants, noncapital	12,902	—	—	12,902
State financial aid grants, noncapital	12,506	—	—	12,506
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	28,840	—	—	28,840
Gifts, noncapital	5,182	(2,067)	25	3,140
Investment income, net	6,479	(1,519)	—	4,960
Endowment income, net	—	12,509	—	12,509
Interest expense	(7,008)	—	—	(7,008)
Other nonoperating revenues	20,993	4,061	—	25,054
Net nonoperating income	<u>162,191</u>	<u>12,984</u>	<u>25</u>	<u>175,200</u>
Income (loss) before other revenues	<u>(11,538)</u>	<u>9,896</u>	<u>25</u>	<u>(1,617)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	552	—	(25)	527
Additions to permanent endowments	—	1,582	—	1,582
Increase (decrease) in net position	<u>(10,986)</u>	<u>11,478</u>	<u>—</u>	<u>492</u>
Net position:				
Net position at beginning of year	(359,357)	63,565	—	(295,792)
Net position at end of year	<u>\$ (370,343)</u>	<u>75,043</u>	<u>—</u>	<u>(295,300)</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 41,642
Federal grants and contracts	8,065
State grants and contracts	1,386
Local grants and contracts	251
Nongovernmental grants and contracts	1,329
Payments to suppliers	(36,901)
Payments to employees	(81,439)
Payments for benefits	(45,522)
Payments to students	(28,329)
Collections of student loans	36
Sales and services of educational activities	21
Sales and services of auxiliary enterprises	7,478
Other receipts	8,506
Net cash used in operating activities	<u>(123,477)</u>
Cash flows from noncapital financing activities:	
State appropriations	72,662
Federal financial aid grants	12,902
State financial aid grants	12,506
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	28,840
Gifts and grants received for other than capital purposes	5,182
Federal loan program receipts	22,080
Federal loan program disbursements	(22,120)
Monies received on behalf of others	47
Monies disbursed on behalf of others	(18)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	20,986
Net cash provided by noncapital financing activities	<u>153,067</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	84,050
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	552
Proceeds from sale of capital assets	3
Acquisition of capital assets	(21,083)
Transfers to escrow agent	(83,784)
Principal paid on capital debt and leases	(7,130)
Interest paid on capital debt and leases	(6,301)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(33,693)</u>

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 403,512
Purchases of investments	(401,721)
Investment income proceeds	2,533
Net cash provided by investing activities	4,324
Net increase in cash and cash equivalents	221
Cash and cash equivalents at beginning of year	48
Cash and cash equivalents at end of year	<u>\$ 269</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 269
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 269</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (173,729)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,963
Change in assets and liabilities:	
Accounts receivable, net	302
Student loans receivable, net	36
Pledges receivable, net	—
Prepaid expenses and other current assets	146
Other assets	—
Deferred outflows of resources	5,924
Accounts payable	1,288
Accrued salaries and benefits	(550)
Accrued compensated absences	202
Unearned revenues	973
Depository accounts	—
Total other postemployment benefits liability	22,541
Net pension liability	6,049
Other liabilities	(36)
Deferred inflows of resources	(6,586)
Net cash used in operating activities	<u>\$ (123,477)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 9,635
Other assets paid through long-term debt	—
Amortization of net bond premium	549
Change in accrued capital asset purchases	2,141

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,384
Payments from discretely presented component units for other than salaries	7,419
Payments to discretely presented component units for services, space, and programs	3,341
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	644
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(136)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,188
Payments to the Office of the Chancellor for state pro rata charges	153
Accounts receivable from the Office of the Chancellor	4,298
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	15
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	982
Other interagency payments (receipts) for services, space, and programs	(49)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position
Year ended June 30, 2021
(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 802	1,619	2,421
Short-term investments	105,980	10,143	116,123
Accounts receivable, net	5,582	1,277	6,859
Capital lease receivable, current portion	125	—	125
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,021	1,021
Prepaid expenses and other current assets	1,233	20	1,253
Total current assets	<u>113,722</u>	<u>14,080</u>	<u>127,802</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	356	356
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	3,350	—	3,350
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,030	—	1,030
Pledges receivable, net	—	1,387	1,387
Endowment investments	—	18,718	18,718
Other long-term investments	29,570	125	29,695
Capital assets, net	205,896	7,051	212,947
Other assets	97	626	723
Total noncurrent assets	<u>239,943</u>	<u>28,263</u>	<u>268,206</u>
Total assets	<u>353,665</u>	<u>42,343</u>	<u>396,008</u>
Deferred Outflows of Resources			
Deferred outflows of resources	69,454	—	69,454
Liabilities			
Current liabilities:			
Accounts payable	3,462	308	3,770
Accrued salaries and benefits	11,427	42	11,469
Accrued compensated absences, current portion	2,411	61	2,472
Unearned revenues	3,834	—	3,834
Capital lease obligations, current portion	78	125	203
Long-term debt obligations, current portion	1,760	310	2,070
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	321	59	380
Other liabilities	1,443	34	1,477
Total current liabilities	<u>24,736</u>	<u>939</u>	<u>25,675</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,208	—	4,208
Unearned revenues	—	—	—
Grants refundable	470	—	470
Capital lease obligations, net of current portion	64	3,350	3,414
Long-term debt obligations, net of current portion	78,548	381	78,929
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	337,028	1,751	338,779
Net pension liability	190,046	1,670	191,716
Other liabilities	—	—	—
Total noncurrent liabilities	<u>610,364</u>	<u>7,152</u>	<u>617,516</u>
Total liabilities	<u>635,100</u>	<u>8,091</u>	<u>643,191</u>
Deferred Inflows of Resources			
Deferred inflows of resources	48,577	—	48,577
Net Position			
Net position:			
Net investment in capital assets	135,541	2,869	138,410
Restricted for:			
Nonexpendable – endowments	—	17,136	17,136
Expendable:			
Scholarships and fellowships	—	2,067	2,067
Research	—	—	—
Loans	741	—	741
Capital projects	—	—	—
Debt service	13	—	13
Others	137	4,719	4,856
Unrestricted	(396,990)	7,461	(389,529)
Total net position	<u>\$ (260,558)</u>	<u>34,252</u>	<u>(226,306)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2021

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$54,530)	\$ 40,631	—	—	40,631
Grants and contracts, noncapital:				
Federal	6,001	—	—	6,001
State	584	—	—	584
Local	727	—	—	727
Nongovernmental	1,029	—	—	1,029
Sales and services of educational activities	27	51	—	78
Sales and services of auxiliary enterprises (net of scholarship allowances of \$402)	1,063	1,120	—	2,183
Other operating revenues	7,400	9,560	(473)	16,487
Total operating revenues	<u>57,462</u>	<u>10,731</u>	<u>(473)</u>	<u>67,720</u>
Expenses:				
Operating expenses:				
Instruction	95,954	184	(121)	96,017
Research	1,241	—	—	1,241
Public service	594	—	—	594
Academic support	19,665	7	(6)	19,666
Student services	33,769	4,762	(345)	38,186
Institutional support	24,805	1,417	(312)	25,910
Operation and maintenance of plant	19,799	318	(16)	20,101
Student grants and scholarships	33,966	570	(570)	33,966
Auxiliary enterprise expenses	3,682	1,140	—	4,822
Depreciation and amortization	7,968	352	—	8,320
Total operating expenses	<u>241,443</u>	<u>8,750</u>	<u>(1,370)</u>	<u>248,823</u>
Operating income (loss)	<u>(183,981)</u>	<u>1,981</u>	<u>897</u>	<u>(181,103)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	84,515	—	—	84,515
Federal financial aid grants, noncapital	30,361	—	—	30,361
State financial aid grants, noncapital	27,869	—	—	27,869
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	572	—	(570)	2
Other federal nonoperating grants, noncapital	24,587	—	—	24,587
Gifts, noncapital	112	53	—	165
Investment income, net	7,869	160	—	8,029
Endowment income, net	—	4,160	—	4,160
Interest expense	(1,080)	(6)	—	(1,086)
Other nonoperating revenues	28,517	6	(327)	28,196
Net nonoperating income	<u>203,322</u>	<u>4,373</u>	<u>(897)</u>	<u>206,798</u>
Income before other revenues	19,341	6,354	—	25,695
State appropriations, capital	—	—	—	—
Grants and gifts, capital	—	—	—	—
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>19,341</u>	<u>6,354</u>	<u>—</u>	<u>25,695</u>
Net position:				
Net position at beginning of year	(279,899)	27,898	—	(252,001)
Net position at end of year	<u>\$ (260,558)</u>	<u>34,252</u>	<u>—</u>	<u>(226,306)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 37,944
Federal grants and contracts	5,118
State grants and contracts	590
Local grants and contracts	637
Nongovernmental grants and contracts	1,138
Payments to suppliers	(32,460)
Payments to employees	(89,106)
Payments for benefits	(45,000)
Payments to students	(34,066)
Collections of student loans	56
Sales and services of educational activities	27
Sales and services of auxiliary enterprises	514
Other receipts	8,206
Net cash used in operating activities	<u>(146,402)</u>
Cash flows from noncapital financing activities:	
State appropriations	76,639
Federal financial aid grants	30,361
State financial aid grants	27,869
Nongovernmental and other financial aid grants	572
Other federal nonoperating grants	24,587
Gifts and grants received for other than capital purposes	112
Federal loan program receipts	23,182
Federal loan program disbursements	(23,195)
Monies received on behalf of others	3,576
Monies disbursed on behalf of others	(3,407)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	(32)
Issuance of notes receivable	—
Issuance of capital leases receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	27,681
Net cash provided by noncapital financing activities	<u>187,945</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	11,135
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	12
Acquisition of capital assets	(36,667)
Transfers to escrow agent	(11,104)
Principal paid on capital debt and leases	(1,805)
Interest paid on capital debt and leases	(1,197)
Principal collection on capital leases	115
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(39,511)</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2021

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 310,547
Purchases of investments	(314,723)
Investment income proceeds	2,946
Net cash used in investing activities	(1,230)
Net increase in cash and cash equivalents	802
Cash and cash equivalents at beginning of year	—
Cash and cash equivalents at end of year	\$ 802
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 802
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ 802
Reconciliation of operating loss to other receipts:	
Operating loss	\$ (183,981)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	7,968
Change in assets and liabilities:	
Accounts receivable, net	(1,957)
Student loans receivable, net	(34)
Pledges receivable, net	—
Prepaid expenses and other current assets	(331)
Other assets	84
Deferred outflows of resources	10,990
Accounts payable	57
Accrued salaries and benefits	(137)
Accrued compensated absences	501
Unearned revenues	(1,683)
Depository accounts	—
Total other postemployment benefits liability	17,792
Net pension liability	9,456
Other liabilities	201
Deferred inflows of resources	(5,328)
Net cash used in operating activities	\$ (146,402)
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 7,876
Other assets paid through long-term debt	—
Amortization of net bond premium	394
Change in accrued capital asset purchases	271

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Transactions with Related Entities

Year ended June 30, 2021

(In thousands)

	Campus
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	5,463
Payments to discretely presented component units for services, space, and programs	9,003
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	222
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,170)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	114
Payments to the Office of the Chancellor for state pro rata charges	61
Accounts receivable from the Office of the Chancellor	1,204
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	(30)
State lottery allocation received	1,057
Other interagency payments (receipts) for services, space, and programs	95

See accompanying independent auditors' report.



CSU The California State University

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