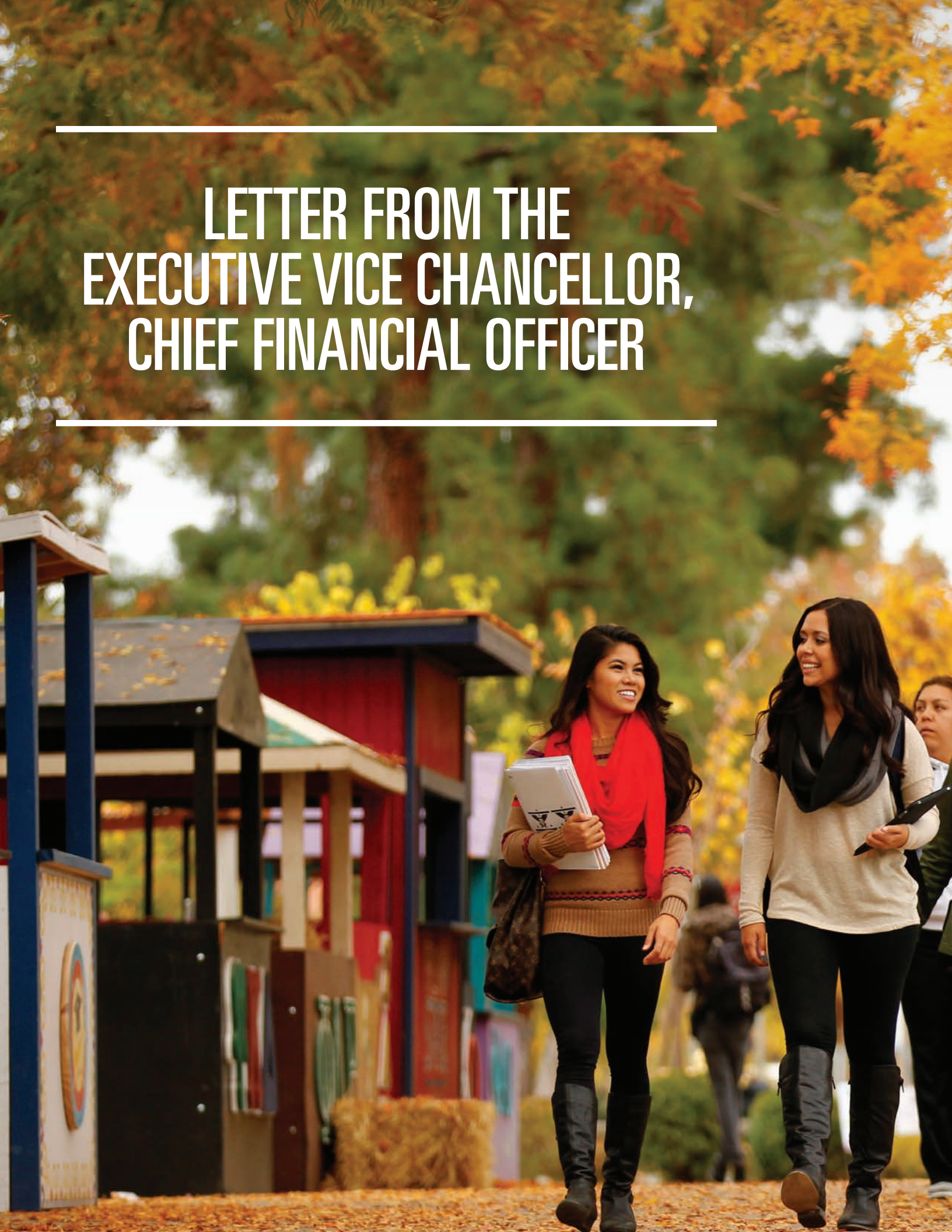




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LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



The California State University is the largest and most ethnically and economically diverse four-year university in the United States. We educate more than 475,000 students across 23 campuses spanning 800 miles, from Humboldt State in the north to San Diego State in the south. By bringing the life-changing opportunities of an affordable, high-quality education to a student population as dynamically diverse as California itself, the CSU is a powerful driver of social mobility.

The CSU drives California's economy, as well. One in 10 California employees is a CSU graduate. With more than 125,000 annual graduates, we award approximately half of the state's bachelor's degrees, fueling innovation and prosperity in fields such as information technology, agriculture, education, engineering, healthcare, business, public administration, media and entertainment.

But we are committed to doing more for Californians from all walks of life, for whom a college degree has never been more important, and to increasing our educated workforce to sustain economic growth.

To that end, we are continuing to increase our enrollment capacity, hiring additional tenure-track faculty and adding course sections. We've introduced a new admission redirection policy to ensure that no eligible student is turned away from the CSU.

However, we know that merely opening the door to higher education is not enough. So, as we work to provide increased access for California's diverse citizenry, we are also committed to ensuring that all our students succeed and graduate in a timely manner. By providing holistic student support, the CSU's flagship Graduation Initiative 2025 is designed to do exactly that, and the results have been truly remarkable. Graduation rates are at all-time highs for all students, regardless of race, ethnicity or financial background. Record numbers of degrees are being awarded.

Indeed, we are gaining momentum at the CSU. We have worked hard to streamline our operations so that we can direct more resources toward student success. Our financial position is strong. The state has demonstrated its belief in the CSU by investing boldly in our work.

Our commitment to the people of California is to build upon this momentum – to do more than ever before to ensure authentic access to an affordable quality education for all – and to help propel California toward its brightest future.

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

GRANT M. BROWN
ENGINEERING
BUILDING

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CALIFORNIA POLYTECHNIC
SAN LUIS OBISPO
COLLEGE OF ENG



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

Independent Auditors' Report

The Board of Trustees
California State University:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the California State University (the University), an agency of the State of California (the State), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 88 of the 90 aggregate discretely presented component units, which reflect total assets constituting 95% and total revenues constituting 94% of the aggregate discretely presented component units totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the 88 discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of 39 discretely presented component units were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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



Opinion

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the California State University, as of June 30, 2019, 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 5-24, the Schedules 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 net 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 Standard 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 as a whole. The supplementary information included in Schedules 5 through 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Schedules 5 and 8 are the responsibility of management and were derived from and relate 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 that collectively comprise the University's basic financial statements.

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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Orange County, California
December 19, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

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, 2019, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 90 discretely presented component units. The discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes, which follow this section. Separate financial statements are issued for each of the discretely presented component units and may be obtained from the individual campuses.

The 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

Financial Statements

The financial statements of the University as of and for the year ended June 30, 2019 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.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

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 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, 2019

(Unaudited)

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:

	University		Discretely presented component units	
	2019	2018	2019	2018
	(In thousands)			
Assets:				
Current assets	\$ 4,076,294	3,788,535	1,585,507	1,559,753
Capital assets, net	9,538,377	9,056,572	912,577	833,650
Other noncurrent assets	2,017,426	1,915,548	2,487,979	2,358,674
Total assets	15,632,097	14,760,655	4,986,063	4,752,077
Deferred outflows of resources	2,456,788	3,752,587	32,520	37,782
Liabilities:				
Current liabilities	1,502,157	1,426,526	493,517	517,734
Noncurrent liabilities	28,279,755	29,756,004	1,034,713	1,014,903
Total liabilities	29,781,912	31,182,530	1,528,230	1,532,637
Deferred inflows of resources	2,888,140	1,504,986	52,189	45,034
Net position:				
Net investment in capital assets	3,438,964	3,485,290	295,177	259,778
Restricted:				
Nonexpendable	1,693	1,708	1,336,916	1,274,214
Expendable	194,812	135,223	1,146,945	1,025,148
Unrestricted	(18,216,636)	(17,796,495)	659,126	653,048
Total net position	\$ (14,581,167)	(14,174,274)	3,438,164	3,212,188

The University's net position decreased by \$406.89 million in 2019. The University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. This change in accounting policy in 2018 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 2.68.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

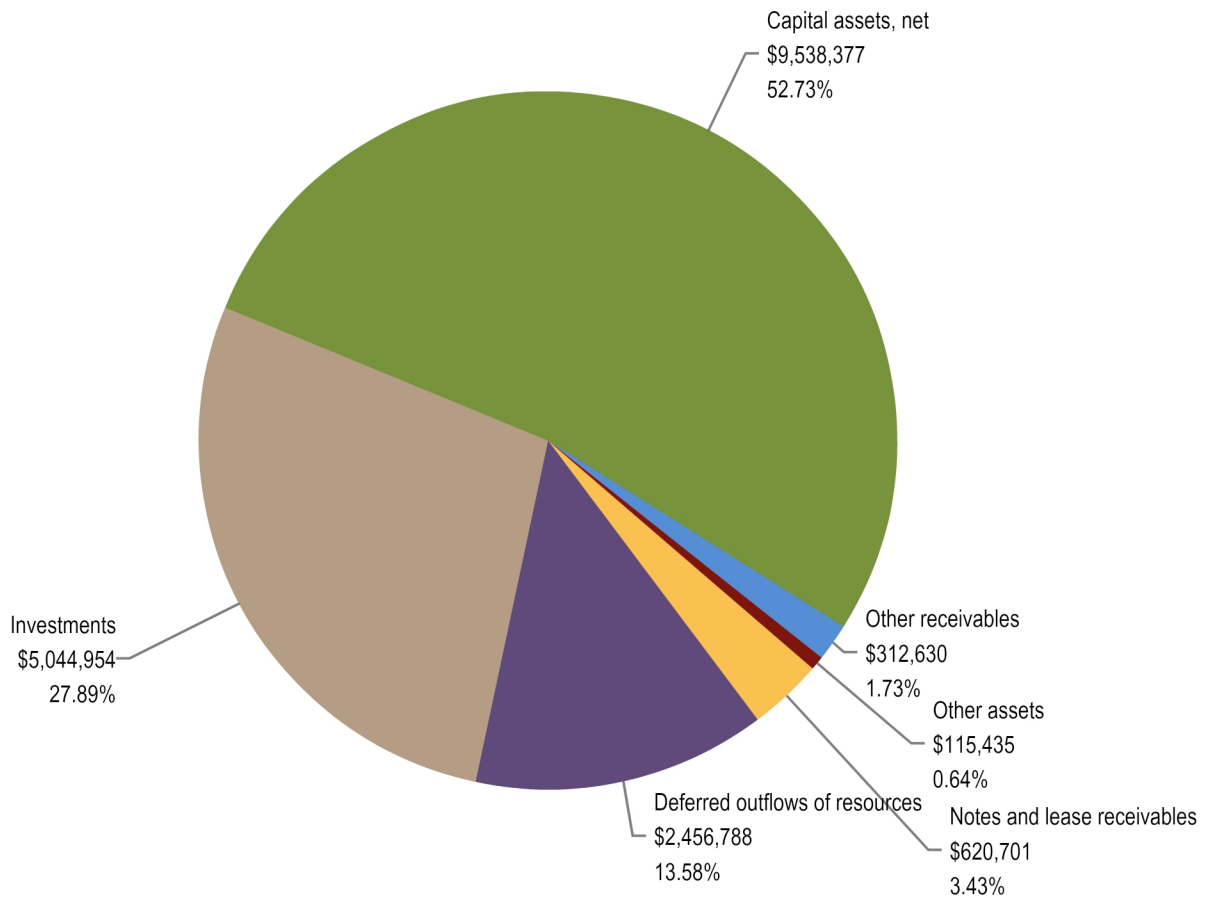
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The University's Financial Position

Assets and Deferred Outflows of Resources

Total assets increased from \$14.76 billion in 2018 to \$15.63 billion in 2019. Deferred outflows of resources decreased from \$3.75 billion in 2018 to \$2.46 billion in 2019.

**Assets and Deferred Outflows of Resources
(In thousands)**



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.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

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:

	2019	2018
	(In thousands)	
Land and land improvements	\$ 281,916	273,340
Buildings and building improvements	6,861,632	6,468,331
Improvements other than buildings	213,164	211,300
Infrastructure	658,566	648,478
Equipment	228,913	232,830
Library books and materials	29,578	30,877
Works of art and historical treasures	50,100	47,231
Intangible assets	57,870	59,928
Construction work in progress	1,156,638	1,084,257
Total	\$ 9,538,377	9,056,572

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 2019 included the Dominguez Hills Center for Science and Innovation, the Long Beach Student Success Center/Peterson Hall 2 renovation, the Los Angeles Student Housing East and Parking Structure E, the Monterey Bay Academic Building III and Student Union, the Pomona Student Housing Replacement, the San Bernardino College of Extended Learning expansion, and the San Jose Student Recreation and Aquatics Center.

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:

	2019	Percentage of total	2018	Percentage of total
	(In thousands)		(In thousands)	
Liquidity Portfolio	\$ 3,655,041	72.45%	\$ 3,780,477	80.13%
Total Return Portfolio	559,192	11.08	126,033	2.67
State's Surplus Money Investment Fund	830,721	16.47	811,514	17.20
Total	\$ 5,044,954	100.00%	\$ 4,718,024	100.00%

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

Investments increased from \$4.72 billion in 2018 to \$5.04 billion in 2019. Investments increased due to proceeds from issuance of SRB Series 2018A/B and Bond Anticipation Notes (BAN), investment gains/earnings, and increase in operating resources provided by the State through noncapital appropriations. 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 increased from \$376.75 million in 2018 to \$400.38 million in 2019. The increase of \$23.63 million is due mainly to the new loan agreements for construction of facilities on the University amounting to \$90.28 million, net of current year collections of \$66.65 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 used by an actuary to determine total pension liability; and increases in the University's proportionate share of net pension liability, which are recognized as pension expenses over the average of the expected remaining service lives of participating employees. A deferred outflow of resources is also reported when projected earnings on pension plan investments exceed actual earnings, with the net difference amortized to pension expense over a five-year period beginning in the current period. 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.
- *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 decreased by \$1.30 billion from \$3.75 billion in 2018 to \$2.46 billion in 2019. This is mainly due to the decrease in deferred outflows related to net pension liability. In 2018, the University recognized a one-time supplemental pension contribution of \$876.84 million which was applied against net pension liability in 2019. In addition, there was an amortization of \$467.55 million for deferred outflows of resources related to net pension liability.

CALIFORNIA STATE UNIVERSITY

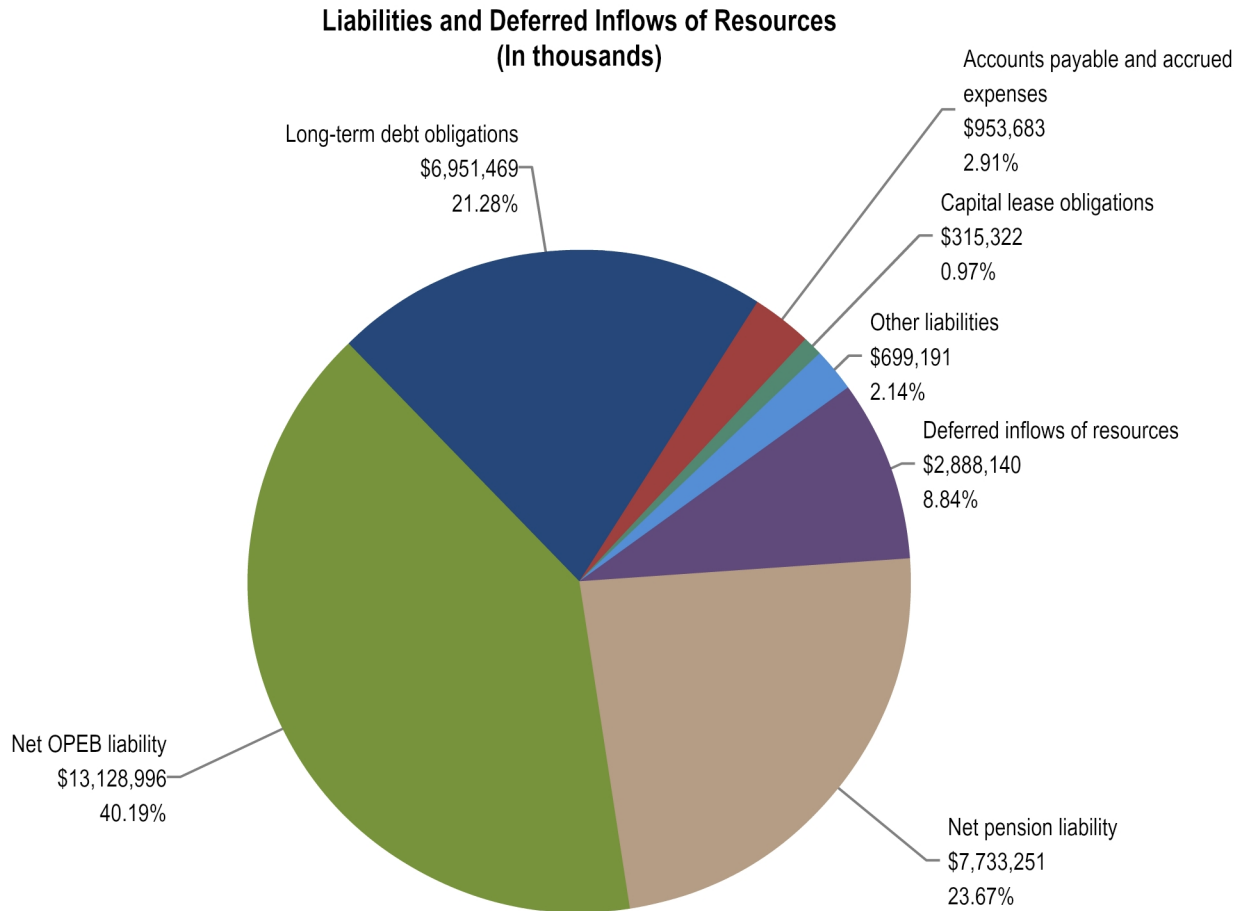
Management's Discussion and Analysis

June 30, 2019

(Unaudited)

Liabilities and Deferred Inflows of Resources

Total liabilities of \$29.78 billion represent a decrease of \$1.40 billion compared to \$31.18 billion in 2018. Deferred inflows of resources increased from \$1.50 billion in 2018 to \$2.89 billion in 2019.



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.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

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 University implemented the accounting standard for other postemployment benefits in 2018 which requires recognition of the total OPEB liability. The ending total OPEB liability, recognized as a result of the implementation of GASB Statement No. 75, was \$13.13 billion. The OPEB benefits are funded on a pay-as-you-go basis as eligible participants retire and receive those benefits.

The total OPEB liability decreased from \$13.92 billion as of June 30, 2018 to \$13.13 billion as of June 30, 2019. The key factors contributing to this decrease include (a) favorable healthcare claims experience resulting in lower average per member claim cost, (b) change in trend rates, (c) update on pension related assumptions based on the December 2017 experience study, and (d) higher discount rate from 3.56% to 3.62%.

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 decreased from \$8.90 billion in 2018 to \$7.73 billion in 2019. The \$1.17 billion decrease is primarily due to the favorable impact of stronger than expected net investment returns on the pension plan assets of \$1.43 billion. Furthermore, the contributions both by the University and its employees of \$1.95 billion reduced the net pension liability. Changes in assumptions reduced the net pension liability by \$332.25 million, offset by \$2.54 billion additional pension liability which included the impact of service costs, interest and unfavorable experience compared to the expected.

Long-Term Debt Obligations

The University's capital assets are financed using the State's capital appropriations, SRB, leases, and reserves. BANs provide short-term financing for capital assets during the construction period. The University's total long-term debt obligations increased by \$500.80 million in 2019. The University's long-term debt obligations are summarized as follows:

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

	2019	2018
	(In thousands)	
Systemwide revenue bonds	\$ 6,211,333	5,692,563
Bond anticipation notes	109,659	169,205
Other long-term debt obligations	10,046	12,813
Total	6,331,038	5,874,581
Unamortized net bond premium	620,431	576,084
Total long-term debt obligations	6,951,469	6,450,665
Less current portion	(171,813)	(144,174)
Long-term debt obligations, net of current portion	\$ 6,779,656	6,306,491

- *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 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 \$518.77 million due to issuance of Series 2018A/B with proceeds amounting to \$663.69 million offset by \$144.92 million of combined payments and refunding of SRB Series 2008A.

- *Bond Anticipation Notes*

BANs are used as short-term financing to acquire and construct capital assets. The BAN payable decreased by \$59.55 million from a prior year's ending balance of \$169.21 million, based on additional BANs amounting to \$111.20 million, offset by redemption of \$170.75 million using proceeds from sale of SRB Series 2018 A/B and campus revenue.

- *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 \$2.24 billion in 2018 to \$2.14 billion in 2019. 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.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

Deferred Inflows of Resources

Deferred inflows of resources are related to certain changes in net pension liability and total OPEB liabilities. Deferred inflows of resources increased by \$1.39 billion from \$1.50 billion in 2018 to \$2.89 billion in 2019. This is mainly due to changes in the actuarial OPEB assumptions and the favorable healthcare claims experience as the 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:

	<u>2019</u>	<u>2018</u>
	(In thousands)	
Net investment in capital assets	\$ 3,438,964	3,485,290
Restricted:		
Nonexpendable	1,693	1,708
Expendable	194,812	135,223
Unrestricted	<u>(18,216,636)</u>	<u>(17,796,495)</u>
Total net position	<u>\$ (14,581,167)</u>	<u>(14,174,274)</u>

- *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 slightly decreased from \$3.49 billion in 2018 to \$3.44 billion in 2019.

- *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*

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

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 increased due to spending for capital outlay projects and debt service payments.

- *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, 2019, unrestricted net position reflects a deficit of \$18.22 billion due primarily to the implementation of GASB Statement No. 68 (pension) during 2015, and the implementation of GASB Statement No. 75 (OPEB) in 2018. Unrestricted net position decreased \$420.14 million in 2019. These Statements require the University to record its share of the State's actuarially determined liabilities for pension and OPEB.

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Management's Discussion and Analysis

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Discretely Presented Component Units' Financial Position

In 2019, the discretely presented component units (DPCUs) managed \$4.99 billion of assets, representing 24.18% of the University's \$20.62 billion combined total assets. In 2018, \$4.75 billion of assets were managed by the discretely presented component units, representing 24.35% 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 \$1.86 billion in 2018 to \$2.00 billion in 2019. This represents 9.71% and 9.53% of the combined total assets for 2019 and 2018, respectively.

The claims liability for losses and loss adjustment expenses decreased from of \$68.69 million in 2018 to \$60.45 million in 2019. 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 \$2.48 billion, representing 92.67% of the combined restricted net position in 2019. In 2018, the restricted net position of discretely presented component units was \$2.30 billion, representing 94.38% of the combined restricted net position.

The combined University and discretely presented component units' net position reflects a deficit of \$11.14 billion in 2019 when compared to \$10.96 billion deficit in 2018.

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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:

	University		Discretely presented component units	
	2019	2018	2019	2018
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,197,925	2,220,797	191,565	186,827
Grants and contracts, noncapital	79,131	77,792	596,454	569,289
Sales and services of educational activities	47,655	52,403	47,906	51,367
Sales and services of auxiliary enterprises, net	560,234	523,504	498,896	511,877
Other operating revenues	254,648	229,550	256,013	242,584
Total operating revenues	3,139,593	3,104,046	1,590,834	1,561,944
Operating expenses	9,683,523	9,726,004	1,784,670	1,768,584
Operating loss	(6,543,930)	(6,621,958)	(193,836)	(206,640)
Nonoperating revenues (expenses):				
State appropriations, noncapital	4,102,570	4,486,584	—	—
Financial aid grants, noncapital	1,980,562	1,928,555	2,746	3,285
Grants and gifts, noncapital	59,029	65,411	189,943	194,827
Investment income, net	204,813	67,351	66,692	64,081
Endowment income, net	20	—	59,479	69,622
Interest expense	(259,621)	(224,909)	(23,033)	(21,343)
Other nonoperating expenses	(45,449)	(64,009)	(7,667)	(37,347)
Net nonoperating revenues	6,041,924	6,258,983	288,160	273,125
Income (loss) before other revenues (expenses)	(502,006)	(362,975)	94,324	66,485
State appropriations, capital	34,972	—	—	—
Grants and gifts, capital	60,141	73,953	31,413	13,643
Additions to permanent endowments	—	—	100,239	96,080
Change in net position	(406,893)	(289,022)	225,976	176,208
Net position – beginning of year	(14,174,274)	(13,885,252)	3,212,188	3,035,980
Net position – end of year	\$ (14,581,167)	(14,174,274)	3,438,164	3,212,188

CALIFORNIA STATE UNIVERSITY

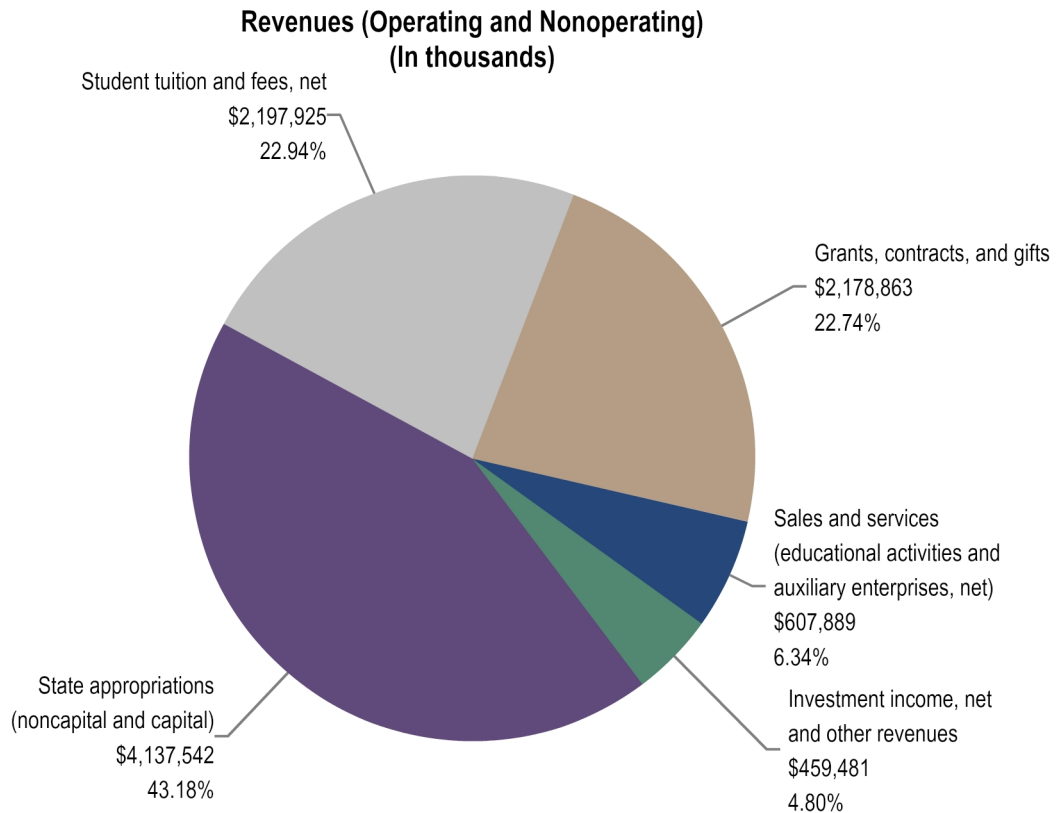
Management's Discussion and Analysis

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Revenues (Operating and Nonoperating)

The University's two largest sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 66.12% and 68.96% of total revenues in 2019 and 2018, respectively. State appropriations are received for both noncapital and capital purposes.



The University's total revenues consisted of the following:

	<u>2019</u>	<u>Percentage of total</u>	<u>2018</u>	<u>Percentage of total</u>
	(In thousands)		(In thousands)	
State appropriations (noncapital and capital)	\$ 4,137,542	43.18%	\$ 4,486,584	46.13%
Student tuition and fees, net	2,197,925	22.94	2,220,797	22.83
Grants, contracts, and gifts	2,178,863	22.74	2,145,711	22.06
Sales and services (educational activities and auxiliary enterprises), net	607,889	6.34	575,907	5.92
Investment income, net and other revenues	459,481	4.80	296,901	3.06
Total revenues (operating and nonoperating)	\$ 9,581,700	100.00%	\$ 9,725,900	100.00%

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

State Appropriations (Noncapital and Capital)

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

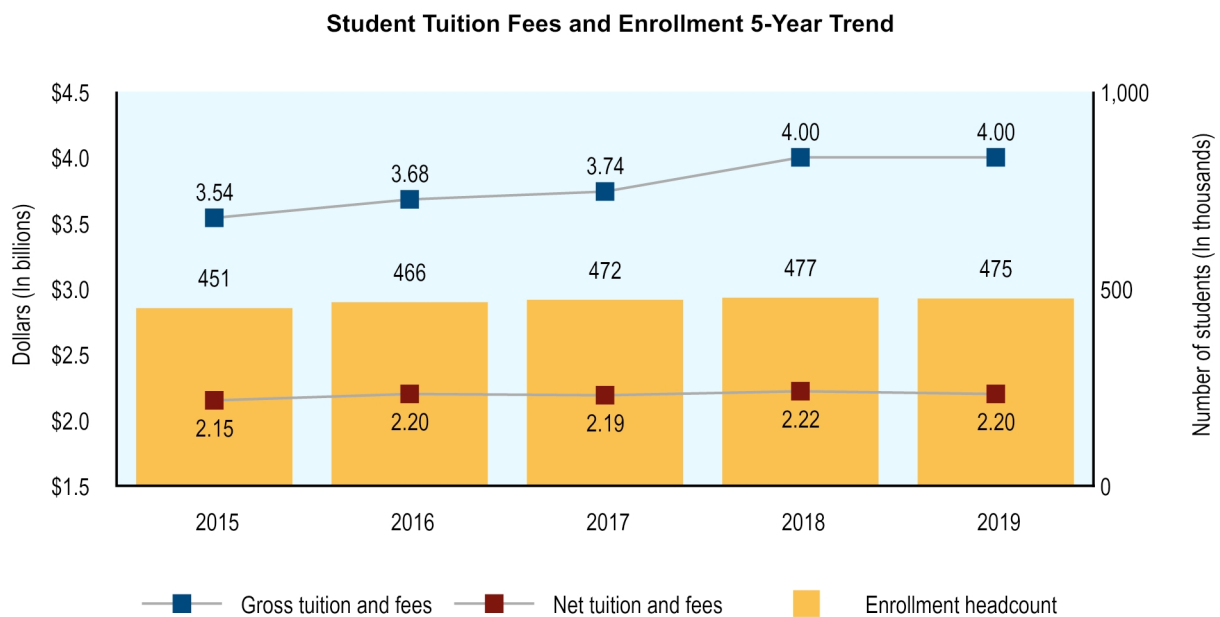
	2019	2018
	(In thousands)	
State appropriations, general fund	\$ 3,776,457	3,451,874
State's contribution on behalf of the University for pension benefits	—	720,559
State's contribution on behalf of the University for OPEB	326,113	314,151
Total state appropriations, noncapital	4,102,570	4,486,584
State appropriations, capital	34,972	—
Total state appropriations (noncapital and capital)	<u>\$ 4,137,542</u>	<u>4,486,584</u>

The state general fund appropriations increased from \$3.45 billion in 2018 to \$3.78 billion in 2019. The increase of \$324.58 million was to augment funding for the graduation initiative 2025, employee compensation, SPWB capital lease obligations debt service, mandatory cost increases, and other miscellaneous support.

In 2018, the State, on behalf of the University, had a one-time supplemental pension contribution amounting to \$720.56 million to help reduce the net pension liability in accordance with Government Code Section 20825. No similar contributions were made in 2019.

Student Tuition and Fees, Net

The student tuition and fees (before scholarship allowances) remained consistent with prior year at \$4 billion. The following chart displays the five-year trend between enrollment headcount and student tuition and fees:



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(Unaudited)

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.

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. In 2019 and 2018, approximately half of the student tuition and fees were paid through waivers and financial aid grants, as shown in the table below.

	<u>2019</u>	<u>2018</u>
	(In thousands)	
Gross student tuition and fees	\$ 3,998,779	3,993,233
Less: Institutional grants	(802,370)	(783,690)
Less: Financial aid grants	(998,484)	(988,746)
Net student tuition and fees	<u>\$ 2,197,925</u>	<u>2,220,797</u>

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 \$47.66 million, a decrease from \$52.40 million in 2018.

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 \$560.23 million, which is a \$36.73 million increase when compared to 2018. The increase is due mainly to new student housing facilities which operated for the first time in 2019 and increases in housing occupancy, space rentals, and parking permits issued to students, faculty, and employees.

Grants, Contracts and Gifts

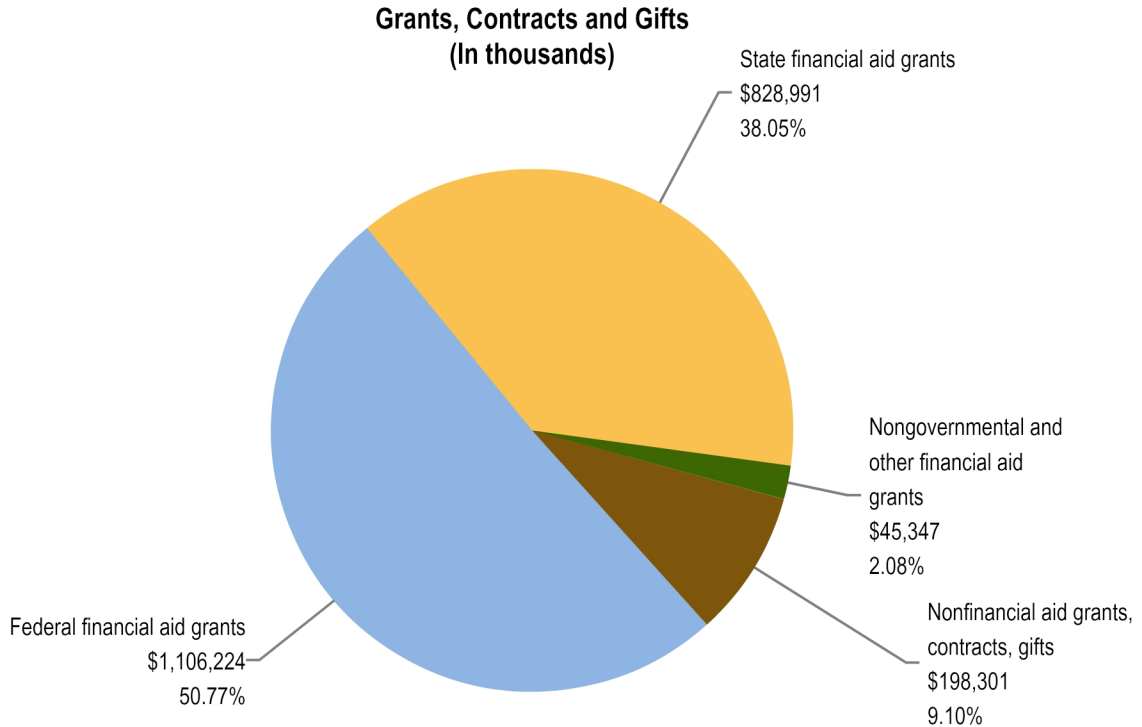
Grants, contracts and gifts revenues are derived substantially from the student financial aid grants from federal agencies, state agencies, and nongovernmental grantors. Major federal financial aid grants came from the Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study. Major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

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)



Student financial aid grants of \$1.98 billion represent 90.90% of the University's total grants, contracts, and gifts revenues of \$2.18 billion for 2019. Federal and state agencies contributed \$1.94 billion in 2019 and \$1.89 billion in 2018. 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 \$198.30 million, or 9.10%, of total grants, contracts, and gifts. Further, gifts received from discretely presented component units amounted to \$75.54 million.

Investment and Endowment Income, Net

Investment and endowment income for 2019 is \$204.83 million, which is \$137.48 million higher when compared to the prior year. This is mainly attributable to favorable market conditions in 2019.

Expenses (Operating and Nonoperating)

The University's total expenses of \$9.99 billion is comprised of operating expenses of \$9.68 billion, or 96.95%, and nonoperating expenses of \$305.07 million, or 3.05%.

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 educational support activities account for 70.31% and 70.60% of the 2019 and 2018 total operating expenses of the University, respectively.

CALIFORNIA STATE UNIVERSITY

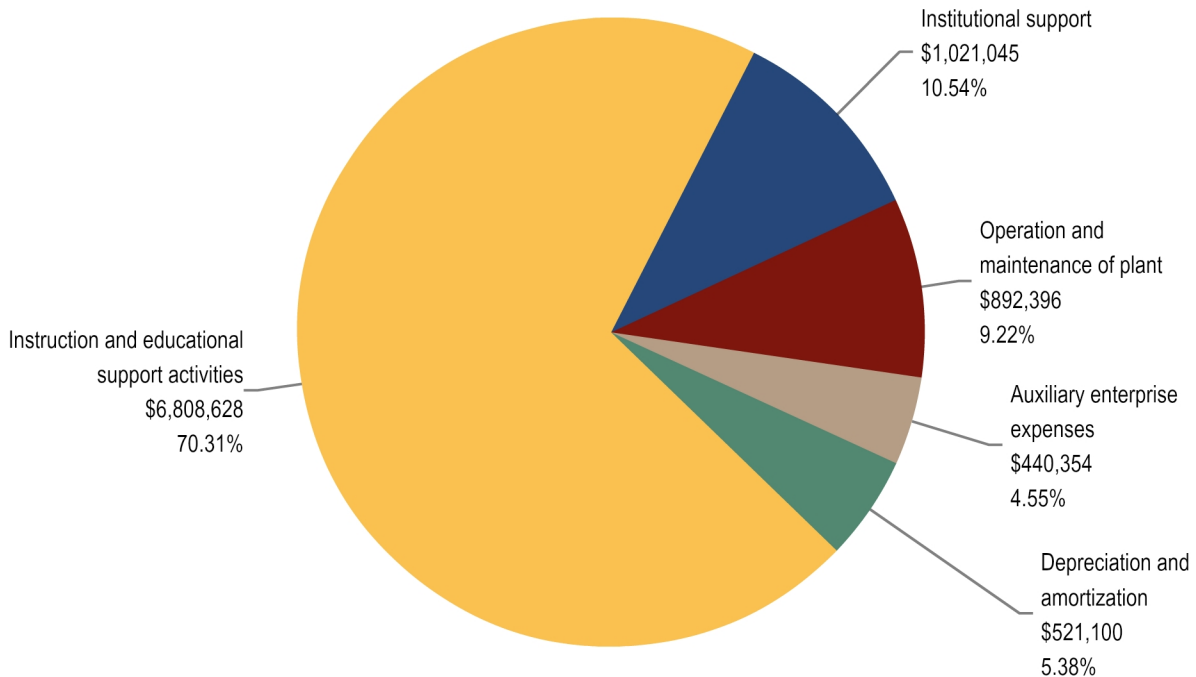
Management's Discussion and Analysis

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(Unaudited)

	2019 (In thousands)	Percentage of total	2018 (In thousands)	Percentage of total
Instruction	\$ 3,614,639	37.33%	\$ 3,767,929	38.74%
Research	80,580	0.83	71,377	0.74
Public service	71,870	0.74	61,543	0.63
Academic support	1,042,756	10.77	982,493	10.10
Student services	1,083,497	11.19	1,091,912	11.23
Student grants and scholarships	915,286	9.45	891,169	9.16
Total instruction and educational support activities	6,808,628	70.31	6,866,423	70.60
Institutional support	1,021,045	10.54	1,045,903	10.75
Operation and maintenance of plant	892,396	9.22	861,988	8.86
Auxiliary enterprise expenses	440,354	4.55	449,959	4.63
Depreciation and amortization	521,100	5.38	501,731	5.16
Total operating expenses	\$ 9,683,523	100.00%	\$ 9,726,004	100.00%

**Operating Expenses
(In thousands)**



CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

- *Salaries*

The University's salaries increased from \$3.61 billion in 2018 to \$3.72 billion in 2019. The increase is due mainly to employee salary rate increases during the year and higher employee headcount. The majority of the increase in salaries are in instruction and education support of \$79.97 million, in institutional support of \$19.94 million, and in operation and maintenance of plant of \$17.22 million.

- *Benefits*

The University's benefits decreased from \$3.19 billion in 2018 to \$2.91 billion in 2019. The majority of the decrease in benefits are in instruction and educational support \$179.43 million, in institutional support of \$53.12 million, and in operation and maintenance of plant of \$28.27 million. The overall decrease was related to changes in OPEB and pension expenses.

The OPEB expense decreased by \$268.66 million in 2019, due mainly to the smoothing effect of the changes in the assumptions and differences between actual and expected experience. The pension related benefits expense decreased by \$100.82 million in 2019, due mainly to higher earnings from the pension plan investments, and favorable changes in assumptions which offset the increase in the service costs, interest on net pension liability, and other related costs. The other benefits expense increased by \$87.66 million due to increase in benefits rates and employee headcount.

- *Scholarships and Fellowships*

The scholarship and fellowships, which represent financial aid directly paid to students, increased from \$891.17 million in 2018 to \$915.29 million in 2019. The increase is mainly due to an increased number of students eligible for financial aid.

- *Supplies and Other Services*

The University's supplies and other services increased from \$1.53 billion in 2018 to \$1.61 billion in 2019. The increase of \$81.02 million is mainly comprised of \$17.55 million for instruction and educational support, \$8.32 million for institutional support, \$41.46 million for operation and maintenance of plant, and \$13.69 million for auxiliary enterprise.

Discretely Presented Component Units' Results of Operations

The discretely presented component units managed \$2.04 billion of revenues, representing 17.56% of the University's \$11.62 billion combined total revenues. This is higher compared to the 17.08% in prior year due to increase grants, gifts and contracts.

The discretely presented component units managed \$820.56 million grants contracts, and gifts revenues, representing 27.36% of the \$3 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.

CALIFORNIA STATE UNIVERSITY

Management's Discussion and Analysis

June 30, 2019

(Unaudited)

Factors Impacting Future Periods

University Support Budget Plan for Fiscal year 2019-2020

The University's \$7.15 billion total operating budget for fiscal year 2019-2020 is funded primarily from two sources: \$3.98 billion from State general fund appropriations and \$3.17 billion of tuition and fee revenues.

The fiscal year 2019-2020 budget includes an augmentation of \$379.07 million for the following:

- \$45 million for the Graduation Initiative 2025
- \$131.16 million for enrollment funding
- \$147.83 million for employee compensation
- \$131.16 million for increased enrollment
- \$9.80 million for facilities and infrastructure projects
- \$42.27 million for mandatory cost increases (e.g., health benefits, operations and maintenance of new facilities)
- \$3 million for other programs

Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2019, but prior to the date of the auditors' report.

- *SRB Issuance*

In August 2019, the University issued \$449.43 million of SRB Series 2019A (Tax Exempt) and \$81.34 million of SRB Series 2019B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund outstanding SRB Series 2010A bonds.

- *BAN Issuance*

In September 2019, the University issued \$43.26 million of BANs for the San Diego State University Aztec Recreation Center expansion.

In October 2019, \$43.35 million of BANs were issued for the Long Beach Housing expansion - Parkside North project and \$30 million for the San Jose State University South Campus Parking Structure and Sports Field Facility Project.

In November 2019, the University issued \$98.30 million of BANs for the Capital Outlay Program and Five-Year Facilities Renewal and Improvement Plan.

BASIC FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	University	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 17,492	263,232	280,724
Short-term investments	3,765,526	799,035	4,564,561
Accounts receivable, net	196,894	270,150	467,044
Capital lease receivable, current portion	11,868	1,914	13,782
Notes receivable, current portion	13,057	109,772	122,829
Pledges receivable, net	2,000	99,217	101,217
Prepaid expenses and other current assets	69,457	42,187	111,644
Total current assets	<u>4,076,294</u>	<u>1,585,507</u>	<u>5,661,801</u>
Noncurrent assets:			
Restricted cash and cash equivalents	103	55,798	55,901
Accounts receivable, net	54,245	18,990	73,235
Capital lease receivable, net of current portion	208,216	59,361	267,577
Notes receivable, net of current portion	387,560	20,827	408,387
Student loans receivable, net	59,491	385	59,876
Pledges receivable, net	—	124,274	124,274
Endowment investments	1,693	1,722,462	1,724,155
Other long-term investments	1,277,735	446,270	1,724,005
Capital assets, net	9,538,377	912,577	10,450,954
Other assets	28,383	39,612	67,995
Total noncurrent assets	<u>11,555,803</u>	<u>3,400,556</u>	<u>14,956,359</u>
Total assets	<u>15,632,097</u>	<u>4,986,063</u>	<u>20,618,160</u>
Deferred Outflows of Resources			
Deferred outflows of resources	2,456,788	32,520	2,489,308
Liabilities			
Current liabilities:			
Accounts payable	292,087	112,912	404,999
Accrued salaries and benefits	421,634	31,675	453,309
Accrued compensated absences, current portion	127,417	15,310	142,727
Unearned revenues	321,194	92,184	413,378
Capital lease obligations, current portion	20,108	11,944	32,052
Long-term debt obligations, current portion	171,813	125,217	297,030
Claims liability for losses and loss adjustment expenses, current portion	—	16,466	16,466
Depository accounts	10,238	14,835	25,073
Other liabilities	137,666	72,974	210,640
Total current liabilities	<u>1,502,157</u>	<u>493,517</u>	<u>1,995,674</u>

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2019

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	\$ 112,545	6,065	118,610
Unearned revenues	8,048	18,333	26,381
Grants refundable	69,007	4,038	73,045
Capital lease obligations, net of current portion	295,214	226,301	521,515
Long-term debt obligations, net of current portion	6,779,656	460,989	7,240,645
Claims liability for losses and loss adjustment expenses, net of current portion	—	43,980	43,980
Depository accounts	2,101	19,025	21,126
Total other postemployment benefits liability	13,128,996	119,708	13,248,704
Net pension liability	7,733,251	83,557	7,816,808
Other liabilities	150,937	52,717	203,654
Total noncurrent liabilities	28,279,755	1,034,713	29,314,468
Total liabilities	29,781,912	1,528,230	31,310,142
 Deferred Inflows of Resources			
Deferred inflows of resources	2,888,140	52,189	2,940,329
 Net Position			
Net position:			
Net investment in capital assets	3,438,964	295,177	3,734,141
Restricted for:			
Nonexpendable – endowments	1,693	1,336,916	1,338,609
Expendable:			
Scholarships and fellowships	23,057	241,878	264,935
Research	110	26,323	26,433
Loans	20,715	2,853	23,568
Capital projects	93,460	123,457	216,917
Debt service	38,975	6,625	45,600
Others	18,495	745,809	764,304
Unrestricted	(18,216,636)	659,126	(17,557,510)
Total net position	\$ (14,581,167)	3,438,164	(11,143,003)

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(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 \$1,800,854)	\$ 2,197,925	191,565	(3,685)	2,385,805
Grants and contracts, noncapital:				
Federal	46,896	384,184	(144)	430,936
State	12,116	115,491	(367)	127,240
Local	3,996	24,129	(25)	28,100
Nongovernmental	16,123	72,650	(4,797)	83,976
Sales and services of educational activities	47,655	47,906	(299)	95,262
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$114,846)	560,234	498,896	(3,256)	1,055,874
Other operating revenues	254,648	256,013	(8,555)	502,106
Total operating revenues	<u>3,139,593</u>	<u>1,590,834</u>	<u>(21,128)</u>	<u>4,709,299</u>
Expenses:				
Operating expenses:				
Instruction	3,614,639	134,551	(3,543)	3,745,647
Research	80,580	233,089	(673)	312,996
Public service	71,870	201,581	(37)	273,414
Academic support	1,042,756	100,315	(15,131)	1,127,940
Student services	1,083,497	188,006	(12,311)	1,259,192
Institutional support	1,021,045	246,939	(20,612)	1,247,372
Operation and maintenance of plant	892,396	47,515	(5,223)	934,688
Student grants and scholarships	915,286	92,095	(40,579)	966,802
Auxiliary enterprise expenses	440,354	486,536	(6,940)	919,950
Depreciation and amortization	521,100	54,043	—	575,143
Total operating expenses	<u>9,683,523</u>	<u>1,784,670</u>	<u>(105,049)</u>	<u>11,363,144</u>
Operating loss	<u>(6,543,930)</u>	<u>(193,836)</u>	<u>83,921</u>	<u>(6,653,845)</u>

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(in thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	\$ 4,102,570	—	—	4,102,570
Federal financial aid grants, noncapital	1,106,224	1,181	—	1,107,405
State financial aid grants, noncapital	828,991	1,347	(1)	830,337
Local financial aid grants, noncapital	—	36	—	36
Nongovernmental and other financial aid grants, noncapital	45,347	182	(24,355)	21,174
Other federal nonoperating grants, noncapital	4,026	—	—	4,026
Gifts, noncapital	55,003	189,943	(48,877)	196,069
Investment income, net	204,813	66,692	—	271,505
Endowment income, net	20	59,479	—	59,499
Interest expense	(259,621)	(23,033)	—	(282,654)
Other nonoperating expenses	(45,449)	(7,667)	15,976	(37,140)
Net nonoperating revenues	<u>6,041,924</u>	<u>288,160</u>	<u>(57,257)</u>	<u>6,272,827</u>
Income (loss) before other revenues	(502,006)	94,324	26,664	(381,018)
State appropriations, capital	34,972	—	—	34,972
Grants and gifts, capital	60,141	31,413	(26,664)	64,890
Additions to permanent endowments	—	100,239	—	100,239
Increase (decrease) in net position	<u>(406,893)</u>	<u>225,976</u>	<u>—</u>	<u>(180,917)</u>
Net position:				
Net position at beginning of year	<u>(14,174,274)</u>	<u>3,212,188</u>	<u>—</u>	<u>(10,962,086)</u>
Net position at end of year	<u>\$ (14,581,167)</u>	<u>3,438,164</u>	<u>—</u>	<u>(11,143,003)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>University</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 2,186,027
Federal grants and contracts	44,091
State grants and contracts	6,659
Local grants and contracts	3,666
Nongovernmental grants and contracts	15,984
Payments to suppliers	(1,610,979)
Payments to employees	(3,692,890)
Payments for benefits	(1,838,672)
Payments to students	(918,947)
Collections of student loans	4,090
Sales and services of educational activities	46,779
Sales and services of auxiliary enterprises	554,746
Other receipts	229,591
	<hr/>
Net cash used in operating activities	(4,969,855)
 Cash flows from noncapital financing activities:	
State appropriations	3,775,647
Federal financial aid grants	1,103,570
State financial aid grants	830,127
Nongovernmental and other financial aid grants	45,379
Other federal nonoperating grants	4,024
Gifts and grants received for other than capital purposes	54,615
Federal loan program receipts	1,458,384
Federal loan program disbursements	(1,448,015)
Monies received on behalf of others	154,811
Monies disbursed on behalf of others	(157,657)
Transfers to escrow agent	(8,865)
Proceeds from long-term debt	89,815
Principal paid on long-term debt	(20,204)
Interest paid on long-term debt	(29,814)
Issuance of notes receivable	(90,276)
Principal collections on capital leases	5,486
Interest collections on capital leases	3,978
Principal collections on notes receivable	66,778
Interest collections on notes receivable	19,315
Other noncapital financing activities	(39,587)
	<hr/>
Net cash provided by noncapital financing activities	5,817,511

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>University</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	\$ 762,076
State appropriations	14,549
State appropriations – SPWB Lease Revenue Bond program	1,153
Capital grants and gifts	52,337
Proceeds from sale of capital assets	13,051
Acquisition of capital assets	(954,173)
Transfers to escrow agent	(1,654)
Principal paid on capital debt and leases	(307,107)
Interest paid on capital debt and leases	(278,257)
Principal collection on capital leases	3,908
Interest collection on capital leases	5,179
	<hr/>
Net cash used in capital and related financing activities	(688,938)
 Cash flows from investing activities:	
Proceeds from sales of investments	10,308,412
Purchases of investments	(10,573,282)
Investment income proceeds	120,924
	<hr/>
Net cash used in investing activities	(143,946)
	 <hr/>
Net increase in cash and cash equivalents	14,772
Cash and cash equivalents at beginning of year	2,824
	<hr/>
Cash and cash equivalents at end of year	\$ 17,596
	<hr/> <hr/>
 Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 17,492
Restricted cash and cash equivalents	103
	<hr/>
Total cash and cash equivalents at end of year	\$ 17,595
	<hr/> <hr/>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>University</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (6,543,930)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	521,100
Change in assets and liabilities:	
Accounts receivable, net	(25,365)
Student loans receivable, net	135
Pledges receivable, net	240
Prepaid expenses and other current assets	(3,375)
Other assets	(6,190)
Deferred outflows of resources	1,615,763
Accounts payable	13,516
Accrued salaries and benefits	26,225
Accrued compensated absences	13,968
Unearned revenues	(7,253)
Depository accounts	(4)
Total other postemployment benefits liability	(789,529)
Net pension liability	(1,166,711)
Other liabilities	(1,600)
Deferred inflows of resources	1,383,154
Net cash used in operating activities	<u>\$ (4,969,856)</u>

Supplemental schedule of noncash transactions:

State's contribution for OPEB	\$ 326,113
Notes receivable paid through long-term debt	89,670
Amortization of net bond premium	32,159
Acquisition of capital assets through capital lease	24,599
Change in accrued capital asset purchases	9,835
Contributed capital assets	7,825
Amortization of loss on debt refundings	6,147

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(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, 2019:

- California State University, Bakersfield
- California State University Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California 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, 2019

(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 90 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 78.84% 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 Union
- 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 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 (formerly The CSU, Chico Research Foundation)
- The University Foundation, California State University, Chico

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

- 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.
- University-Student Union at California State University, Los Angeles

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

- 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
- 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
- The University Corporation, San Francisco State
- San José State University Research Foundation

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

- 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 Union of California State University, Stanislaus
- California State University, Stanislaus Auxiliary and Business Services

These component units are presented in the accompanying financial statements as discretely presented component units of the University due to the nature and significance of their relationship with the University. The relationships are such that exclusion of these organizations from the reporting entity would render the financial statements incomplete, primarily due to their close affiliation with the University. These organizations are discretely presented to allow the financial statement users to distinguish between the University and the component units. None of the component units are considered individually significant to the total discretely presented component units. 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, and Fullerton Arboretum Authority, which are included as blended component units. These organizations primarily provide services to the University in the areas of asset management and student support. The University is financially accountable for these organizations.

(b) Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

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

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, effective for the University's fiscal year beginning July 1, 2019. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefits) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust fund or equivalent arrangement that meets specific criteria. The University is evaluating the effect GASB Statement No. 84 will have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for the University's fiscal year beginning July 1, 2020. 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, 2020. 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.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, effective for the University's fiscal year beginning July 1, 2019. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. When a majority equity interest meets the definition of an investment as defined by GASB, the equity interest is to be reported as an investment for financial reporting purposes and measured using the equity method. Majority equity interests that do not meet the definition of an investment are to be reported as a component unit. This Statement also provides guidance for valuing the acquisition of assets and liabilities of 100% equity interests that remain legally separate, and brings this reporting in line with existing standards that apply to acquisitions that do not remain legally separate. The University is evaluating the effect GASB Statement No. 90 will have on its financial statements.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for the University's fiscal year beginning July 1, 2021. 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.

(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.

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

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 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 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, 2019 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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

(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, 2019. 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.

(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 and related to change in the University's proportionate share of pensionable compensation made subsequent to the measurement date 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 net pension 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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

- **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 retiree health benefits exceeding University assets available to pay such obligations.

(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 records the total OPEB liability equal to its share of the State's total OPEB liability. The total OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees up to June 30, 2019. 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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

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.

(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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

(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.

(3) **Cash, Cash Equivalents, and Investments**

The University's cash, cash equivalents, and investments as of June 30, 2019 are classified in the accompanying Statement of Net Position as follows:

Cash and cash equivalents	\$	17,492
Restricted cash and cash equivalents		103
Total cash and cash equivalents		17,595
Short-term investments		3,765,526
Endowment investments		1,693
Other long-term investments		1,277,735
Total investments		5,044,954
Total cash, cash equivalents, and investments	\$	5,062,549

(a) **Cash and Cash Equivalents**

At June 30, 2019, cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents of \$17,595 had a corresponding carrying balance with the State Treasury and commercial banks of \$21,056 at June 30, 2019. 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

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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.

Effective January 1, 2017, changes to the Education and Government Code of the State expanded the permitted investments to 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 is to be phased in at no more than \$600,000 as of June 30, 2019, and thirty percent of eligible investments thereafter. TRP investments amounted to \$559,192 as of June 30, 2019.

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 manage its interest rate risk by limiting an eligible investment to maximum effective maturity and by limiting the average duration of the portfolio, however, 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, 2019 are presented in the following table:

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Investment type	Fair value	Duration
Money market funds	\$ 28,638	—
Repurchase agreements	10,352	0.00268
Certificates of deposit	151,165	0.12452
U.S. agency securities	1,053,102	0.58573
U.S. Treasury securities	1,197,884	1.25118
Municipal bonds	49,911	0.19506
Corporate bonds	1,008,970	1.02102
Asset-backed securities	152,372	0.50418
Mortgage-backed securities	202	1.99645
Mutual funds	561,637	5.48082
SMIF	830,721	0.47397
Total	<u>\$ 5,044,954</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.

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, 2019 are presented in the following table:

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(In thousands)

Investment type	Fair value	AAA	AA	A	BBB	BB	B	Not rated
Money market funds	\$ 28,638	—	—	—	—	—	—	28,638
Repurchase agreements	10,352	10,352	—	—	—	—	—	—
Certificates of deposit	151,165	58,994	3,445	88,726	—	—	—	—
U.S. agency securities	1,053,102	37,879	1,015,223	—	—	—	—	—
U.S. Treasury securities	1,197,884	—	1,197,884	—	—	—	—	—
Municipal bonds	49,911	19,813	27,524	2,574	—	—	—	—
Corporate bonds	1,008,970	7,779	113,792	877,282	10,117	—	—	—
Asset-backed securities	152,372	152,372	—	—	—	—	—	—
Mortgage-backed securities	202	—	202	—	—	—	—	—
Mutual funds	561,637	30,826	120,919	—	—	8,407	57,975	343,510
SMIF	830,721	—	—	—	—	—	—	830,721
Total	\$ 5,044,954	318,015	2,478,989	968,582	10,117	8,407	57,975	1,202,869

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 estate asset 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.

(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, 2019, the following investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of the University's investment portfolio: Federal Home Loan Banks (\$445,939 or 8.84%) and Federal National Mortgage Association, Inc. (\$300,631 or 5.96%).

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(In thousands)

(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.
- 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.

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(In thousands)

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2019:

Investment type	Fair value	Level 1	Level 2	NAV
Money market funds	\$ 28,638	—	—	28,638
Repurchase agreements	10,352	—	10,352	—
Certificates of deposit	151,165	—	151,165	—
U.S. agency securities	1,053,102	—	1,053,102	—
U.S. Treasury securities	1,197,884	—	1,197,884	—
Municipal bonds	49,911	—	49,911	—
Corporate bonds	1,008,970	—	1,008,970	—
Asset-backed securities	152,372	—	152,372	—
Mortgage-backed securities	202	—	202	—
Mutual funds	561,637	561,637	—	—
SMIF	830,721	—	—	830,721
Total	\$ 5,044,954	561,637	3,623,958	859,359

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.

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).

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.

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Notes to Financial Statements

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(In thousands)

(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.

(viii) Discretely Presented Component Units' Investments

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2019:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 39,781	36,118	75,899
Repurchase agreements	141	5	146
Certificates of deposit	19,691	23,784	43,475
U.S. agency securities	15,515	11,638	27,153
U.S. Treasury securities	112,381	25,341	137,722
Municipal bonds	1,972	11,153	13,125
Corporate bonds	62,569	96,766	159,335
Asset-backed securities	2,079	9,979	12,058
Mortgage-backed securities	20	19,574	19,594
Mutual funds	208,751	976,549	1,185,300
Exchange-traded funds	41,331	146,737	188,068
Equity securities	50,834	445,074	495,908
Alternative investments:			
Private equity (including limited partnerships)	5,616	57,878	63,494
Hedge funds	4,731	128,435	133,166
Real estate investments (including real estate investment trust)	2,627	37,854	40,481
Commodities	94	7,374	7,468
Other alternative investments	—	56,842	56,842
Other external investment pools	—	23,728	23,728
Other investments	14,360	50,693	65,053
Local Agency Investment Fund (LAIF)	216,542	3,210	219,752
Total	\$ 799,035	2,168,732	2,967,767

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(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, 2019:

Investment type	Fair value	Level 1	Level 2	Level 3	NAV
Money market funds	\$ 75,899	67,781	6,079	—	2,039
Repurchase agreements	146	—	141	5	—
Certificates of deposit	43,475	24,425	18,976	74	—
U.S. agency securities	27,153	8,387	18,250	516	—
U.S. Treasury securities	137,722	55,700	81,435	587	—
Municipal bonds	13,125	3,370	9,731	24	—
Corporate bonds	159,335	108,868	46,504	494	3,469
Asset-backed securities	12,058	3,923	8,060	75	—
Mortgage-backed securities	19,594	9,616	9,978	—	—
Mutual funds	1,185,300	1,119,997	8,101	37,177	20,025
Exchange-traded funds	188,068	150,171	37,897	—	—
Equity securities	495,908	479,882	3,068	1,009	11,949
Alternative investments:					
Private equity (including limited partnerships)	63,494	—	—	9,044	54,450
Hedge funds	133,166	14,332	47	4,218	114,569
Real estate investments (including real estate investment trust)	40,481	1,433	3,127	14,122	21,799
Commodities	7,468	297	—	—	7,171
Other alternative investments	56,842	—	—	—	56,842
Other external investment pools	23,728	—	—	23,728	—
Other investments	65,053	49,009	14,935	1,032	77
LAIF	219,752	—	—	—	219,752
Total	\$ 2,967,767	2,097,191	266,329	92,105	512,142

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

Investments reported by the University of \$55,972 are invested under contractual agreements on behalf of the discretely presented component units of the University.

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Notes to Financial Statements

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(In thousands)

(4) Accounts Receivable

Accounts receivable of the University at June 30, 2019 consisted of the following:

	Current	Noncurrent	Total
State appropriations	\$ 5,785	47,944	53,729
State appropriations – SPWB Lease Revenue Bond program	—	1,462	1,462
Discretely presented component units	48,441	1,207	49,648
Student accounts	69,425	—	69,425
Government grants and contracts	32,118	—	32,118
Others	50,397	3,632	54,029
	<u>206,166</u>	<u>54,245</u>	<u>260,411</u>
Less allowance for doubtful accounts	(9,272)	—	(9,272)
Total	\$ <u>196,894</u>	<u>54,245</u>	<u>251,139</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 \$211,560. Interest rates range from 2% 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:

2020	\$ 23,665
2021	19,809
2022	20,053
2023	22,228
2024	22,271
2025 - 2029	96,957
2030 - 2034	77,782
2035 - 2039	24,894
Total minimum lease payments to be received	<u>307,659</u>
Less amounts representing interest	(87,575)
Present value of future minimum lease payments to be received	220,084
Less current portion	<u>(11,868)</u>
Capital lease receivable, net of current portion	\$ <u>208,216</u>

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Notes to Financial Statements

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(In thousands)

(6) Notes Receivable

The University has entered into note agreements with certain discretely presented component units to finance existing and newly constructed facilities for the discretely presented component units amounting to \$400,380. Interest rates range from 2% 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:

2020	\$	32,579
2021		32,235
2022		32,112
2023		32,102
2024		31,748
2025 - 2029		153,760
2030 - 2034		137,033
2035 - 2039		106,618
2040 - 2044		69,276
2045 - 2049		37,879
		<hr/>
Total minimum note payments to be received		665,342
Less amounts representing interest		(264,725)
		<hr/>
Present value of future minimum note payments to be received		400,617
Less current portion		(13,057)
		<hr/>
Notes receivable, net of current portion	\$	<u><u>387,560</u></u>

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Notes to Financial Statements

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(In thousands)

(7) Capital Assets

Capital assets activity for the University for the year ended June 30, 2019 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	\$ 273,340	8,576	—	—	281,916
Works of art and historical treasures	47,231	2,869	—	—	50,100
Construction work in progress	1,084,257	866,819	(8,821)	(785,617)	1,156,638
Intangible assets	37,349	3,796	(5)	(2,143)	38,997
Total nondepreciable/ nonamortizable capital assets	1,442,177	882,060	(8,826)	(787,760)	1,527,651
Depreciable/amortizable capital assets:					
Buildings and building improvements	12,405,402	58,801	(11,417)	716,502	13,169,288
Improvements other than buildings	721,739	6,820	(363)	24,097	752,293
Infrastructure	1,201,967	16,610	(1,763)	33,759	1,250,573
Personal property:					
Equipment	871,706	45,815	(24,209)	11,259	904,571
Library books and materials	392,153	5,310	(11,440)	—	386,023
Intangible assets	276,147	2,233	(5,042)	2,143	275,481
Total depreciable/ amortizable capital assets	15,869,114	135,589	(54,234)	787,760	16,738,229
Total cost	17,311,291	1,017,649	(63,060)	—	18,265,880
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(5,937,071)	(379,275)	8,690	—	(6,307,656)
Improvements other than buildings	(510,439)	(28,742)	52	—	(539,129)
Infrastructure	(553,489)	(39,354)	836	—	(592,007)
Personal property:					
Equipment	(638,876)	(59,314)	22,532	—	(675,658)
Library books and materials	(361,276)	(6,365)	11,196	—	(356,445)
Intangible assets	(253,568)	(8,050)	5,010	—	(256,608)
Total accumulated depreciation/amortization	(8,254,719)	(521,100)	48,316	—	(8,727,503)
Net capital assets	\$ 9,056,572	496,549	(14,744)	—	9,538,377

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Notes to Financial Statements

June 30, 2019

(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2019 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	\$ 129,245	5,220	(1,489)	—	132,976
Works of art and historical treasures	12,474	1,842	(5,103)	—	9,213
Construction work in progress	55,434	105,315	(1,365)	(13,832)	145,552
Intangible assets	5,098	4,933	—	—	10,031
Total nondepreciable/ nonamortizable capital assets	202,251	117,310	(7,957)	(13,832)	297,772
Depreciable/amortizable capital assets:					
Buildings and building improvements	766,431	7,085	(6,452)	6,975	774,039
Improvements other than buildings	164,721	5,398	(2,151)	2,848	170,816
Infrastructure	67,693	—	—	—	67,693
Personal property:					
Equipment	221,120	17,237	(11,819)	3,879	230,417
Intangible assets	9,288	104	(1,478)	130	8,044
Total depreciable/ amortizable capital assets	1,229,253	29,824	(21,900)	13,832	1,251,009
Total cost	1,431,504	147,134	(29,857)	—	1,548,781
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(315,797)	(25,653)	3,768	—	(337,682)
Improvements other than buildings	(88,739)	(9,489)	1,217	—	(97,011)
Infrastructure	(22,549)	(1,691)	—	—	(24,240)
Personal property:					
Equipment	(163,151)	(17,303)	9,659	—	(170,795)
Intangible assets	(7,618)	(336)	1,478	—	(6,476)
Total accumulated depreciation/amortization	(597,854)	(54,472)	16,122	—	(636,204)
Net capital assets	\$ 833,650	92,662	(13,735)	—	912,577

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

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(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 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 \$149,180 at June 30, 2019. Total capital assets related to these capital leases have a carrying value of \$176,503 at June 30, 2019. The leases have terms expiring in various years through 2035. The University also enters into capital leases with financial institutions and via commercial paper issued by the California State University Institute (the Institute), a discretely presented component unit of the University. These 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 \$172,134 at June 30, 2019. The leases bear interest at rates ranging from 0.04% to 10% and have terms expiring in various years through 2041.

Operating leases consist primarily of leases for the use of real property. The University's operating leases expire in various 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, 2019 were \$33,888 of which \$23,074 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, 2019 are as follows:

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(In thousands)

	<u>Capital leases</u>	<u>Operating leases</u>
Fiscal year ending June 30:		
2020	\$ 37,303	40,126
2021	35,970	30,828
2022	34,606	26,678
2023	33,462	15,756
2024	32,500	13,350
2025 - 2029	141,958	46,856
2030 - 2034	126,095	14,234
2035 - 2039	39,648	3,579
2040 - 2044	4,775	1,885
2045 - thereafter	—	1,465
Total minimum lease payments	<u>486,317</u>	<u>\$ 194,757</u>
Less amount representing interest	<u>(171,546)</u>	
Present value of future minimum lease payments	314,771	
Unamortized net premium	551	
Total capital lease obligations	<u>315,322</u>	
Less current portion	<u>(20,108)</u>	
Capital lease obligations, net of current portion	<u>\$ 295,214</u>	

(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 \$2,141,932 as of June 30, 2019.

(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 \$6,211,333 at June 30,

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2019. 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 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.

(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, 2019 were 2.25% and 1.27%, respectively. The University's BANs totaled \$109,659 at June 30, 2019. The authorized amounts totaled \$868,630, of which \$756,950 has not been issued and \$111,680 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.

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Long-term debt obligations of the University as of June 30, 2019 consisted of the following:

Description	Interest rate percentage	Final maturity date	Original issue amount	Amount outstanding
Systemwide Revenue Bonds:				
Housing Series J - K	3.00%	2019/20	\$ 8,558	\$ 363
Housing Series L - M	3.00	2020/21	5,510	475
Housing Series N & Q	3.00	2021/22	6,695	700
Series 2007-B	5.45-5.55	2037/38	13,165	9,385
Series 2007-C	5.00	2028/29	63,275	30,750
Series 2010-A	3.50-5.00	2031/32	146,950	85,205
Series 2010-B	5.45-6.48	2041/42	205,145	205,145
Series 2011-A	3.00-5.25	2042/43	429,855	325,325
Series 2012-A	3.00-5.00	2042/43	436,220	406,115
Series 2012-B	2.79-4.17	2036/37	16,700	14,465
Series 2013-A	3.00-5.00	2026/27	308,855	227,535
Series 2014-A	3.00-5.00	2044/45	747,740	718,615
Series 2015-A	2.00-5.00	2047/48	1,032,920	949,090
Series 2015-B	1.98-4.41	2035/36	29,305	21,955
Series 2016-A	2.00-5.00	2045/46	1,133,105	1,121,755
Series 2016B-1	3.00	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	800,815
Series 2017-B	1.55-3.90	2047/48	335,155	334,495
Series 2017-C	3.25-5.00	2037/38	49,175	45,455
Series 2018-A	4.00-5.00	2050/51	492,690	492,690
Series 2018-B	2.45-4.25	2050/51	171,000	171,000
			<u>\$ 6,694,048</u>	6,211,333
Bond Anticipation Notes	Various			109,659
Others	Various			10,046
Total				<u>6,331,038</u>
Unamortized net bond premium				620,431
Total long-term debt				<u>6,951,469</u>
Less current portion				(171,813)
Long-term debt, net of current portion				<u>\$ 6,779,656</u>

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

Fiscal year ending June 30:	Principal	Interest
2020	\$ 171,813	289,485
2021	168,576	282,251
2022	180,706	273,950
2023	183,742	265,197
2024	189,480	256,591
2025 - 2029	1,085,177	1,139,361
2030 - 2034	1,257,982	858,027
2035 - 2039	1,214,935	562,105
2040 - 2044	973,495	303,031
2045 - 2049	731,820	101,741
Thereafter	173,312	8,548
	\$ 6,331,038	4,340,287

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, 2019, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$2,026,108 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2019, 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

In August 2018, the University issued SRB Series 2018A (Tax-Exempt), a portion of the proceeds was applied for a current refunding of SRB Series 2008A. The defeasance will reduce the University's total financing cost by approximately \$2,079 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 \$1,733. 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 \$10,335. The entire outstanding balance was paid as of June 30, 2019.

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(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2019 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 225,993	136,658	(122,689)	239,962	127,417
Capital lease obligations (note 8)	309,928	25,709	(20,315)	315,322	20,108
Long-term debt obligations (note 9):					
Systemwide revenue bonds	5,692,563	663,690	(144,920)	6,211,333	149,458
Bond anticipation notes	169,205	111,199	(170,745)	109,659	21,146
Other	12,813	—	(2,767)	10,046	1,209
	<u>5,874,581</u>	<u>774,889</u>	<u>(318,432)</u>	<u>6,331,038</u>	<u>171,813</u>
Unamortized net bond premium	576,084	76,471	(32,124)	620,431	—
Total long-term debt obligations	<u>6,450,665</u>	<u>851,360</u>	<u>(350,556)</u>	<u>6,951,469</u>	<u>171,813</u>
Total long-term liabilities	<u>\$ 6,986,586</u>	<u>1,013,727</u>	<u>(493,560)</u>	<u>7,506,753</u>	<u>319,338</u>

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2019 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Accrued compensated absences	\$ 20,978	14,043	(13,646)	21,375	15,310
Claims liability for losses					
and loss adjustment expenses	68,688	32,552	(40,794)	60,446	16,466
Capital lease obligations	248,932	128	(10,815)	238,245	11,944
Long-term debt obligations:					
Revenue bonds	20,710	—	(920)	19,790	970
Commercial paper, including principal rollovers	169,205	558,822	(618,368)	109,659	107,805
Notes payable	323,086	83,724	(58,560)	348,250	11,245
Other	73,591	241	(5,503)	68,329	5,197
	<u>586,592</u>	<u>642,787</u>	<u>(683,351)</u>	<u>546,028</u>	<u>125,217</u>
Unamortized net bond premium	27,431	14,502	(1,755)	40,178	—
Total long-term debt obligations	<u>614,023</u>	<u>657,289</u>	<u>(685,106)</u>	<u>586,206</u>	<u>125,217</u>
Total long-term liabilities	<u>\$ 952,621</u>	<u>704,012</u>	<u>(750,361)</u>	<u>906,272</u>	<u>168,937</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

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component units amounting to \$348,250 included in notes payable and \$52,130 in other long-term debt obligations as of June 30, 2019.

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 \$210,092 as of June 30, 2019.

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 includes the University's Miscellaneous Tier 1 employees and Peace Officers and Firefighters.

(b) Benefits Provided

The plan also provides survivor, death, and disability benefits. Eligible employees are covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) for medical benefits. 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 provision, assumptions, and membership information are listed in the June 30, 2017 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., miscellaneous or peace officers and firefighters)
- Membership category (pre-PEPRA 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 cost sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension and postretirement program 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, 2017 through June 30, 2018.

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(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 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, 2018, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 6.77% and 11.41% of annual payroll, respectively. For the measurement period ended June 30, 2018, the State's contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 28.40% and 44.25% 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 11% 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:

Fiscal year ending June 30:	<u>University's contributions</u>	
2019	\$	928,987
2018		1,734,716
2017		757,170

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.

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(e) *Actuarial Methods and Assumptions*

The total pension liability was measured as of June 30, 2018 (measurement date), by rolling forward the total pension liability determined by the June 30, 2017 actuarial valuation (valuation date), based on the following actuarial methods and assumptions:

Valuation date:	June 30, 2017
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 2.00% 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 plant and two cost-sharing plans), expected compound

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(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 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 %	Real return years 1–10 ¹ %	Real return years 11-60 ² %
Global equity	50	4.80	5.98
Fixed income	28	1.00	2.62
Inflation assets	0	0.77	1.81
Private equity	8	6.30	7.23
Real estate	13	3.75	4.93
Liquidity	1	0.00	(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	\$ 10,852,766	7,570,177	4,819,309
Peace Officers and Firefighters Plan	240,703	163,074	99,482
Net pension liability	<u>\$ 11,093,469</u>	<u>7,733,251</u>	<u>4,918,791</u>

(i) Changes in Net Pension Liability

The University reported a liability of \$7,733,251 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2017 rolled forward to the measurement date. The University's proportion of the State's net pension liability was calculated based on its

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proportionate share of the State's pensionable compensation. The State considered this a practical, systematic, and rational approach. At measurement date June 30, 2018, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 24.09757% and 1.17223%, respectively.

The following table presents the changes in net pension liability of the University recognized over the measurement period for the Plans:

	State Miscellaneous Plan	State Peace Officers and Firefighters Plan	Total
Balance at June 30, 2017 (measurement date)	\$ 8,723,068	176,894	8,899,962
Changes in proportionate share	81,105	2,035	83,140
Balance at June 30, 2017, adjusted	8,804,173	178,929	8,983,102
Changes recognized for the measurement period:			
Service cost	470,809	11,857	482,666
Interest on total pension liability	1,824,667	37,343	1,862,010
Recognized difference between expected and actual experience	107,413	4,151	111,564
Recognized changes of assumptions	(331,957)	(294)	(332,251)
Employee contributions	(209,746)	(4,943)	(214,689)
Employer contributions	(1,697,520)	(35,967)	(1,733,487)
Net investment income	(1,476,642)	(29,564)	(1,506,206)
Plan to plan resource movement	323	1	324
Administrative expenses	27,132	539	27,671
Other miscellaneous expense	51,524	1,023	52,547
Net changes	(1,233,997)	(15,854)	(1,249,851)
Balance at June 30, 2018 (measurement date)	\$ 7,570,176	163,075	7,733,251

(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 \$1,256,584 for State Miscellaneous Plan and \$30,112 for 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, 2019. 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 subsequent to the measurement date of June 30, 2018 which will be recognized as a reduction of the net pension

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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. Net deferred outflows of resources are recognized for changes in the University's proportionate share of pensionable compensation.

	Deferred outflows of resources	Deferred inflows of resources
University's retirement contributions subsequent to the measurement date	\$ 928,987	—
Differences due to changes in assumptions	701,691	251,227
Net differences between projected and actual earnings on pension plan investments	79,471	—
Differences due to changes in proportionate share	207,813	—
Differences between expected and actual experience	85,356	54,809
Total	<u>\$ 2,003,318</u>	<u>306,036</u>

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)				Total
			2019	2020	2021	2022	
Miscellaneous Plan:							
2017	\$ 1,365,745	4	\$ 341,436	341,436	—	—	682,872
Peace Officers and Firefighters Plan:							
2017	30,580	5.2	5,881	5,881	5,881	1,176	18,819
Increase in pension expense			<u>\$ 347,317</u>	<u>347,317</u>	<u>5,881</u>	<u>1,176</u>	<u>701,691</u>

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(ii) 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)				
			2019	2020	2021	2022	Total
Miscellaneous Plan:							
2015	\$ 876,490	5	\$ 175,298	—	—	—	175,298
2016	1,152,642	5	230,529	230,529	—	—	461,058
2017	(636,487)	5	(127,297)	(127,297)	(127,297)	—	(381,891)
2018	(220,320)	5	(44,064)	(44,064)	(44,064)	(44,064)	(176,256)
Peace Officers and Firefighters Plan:							
2015	16,611	5	3,322	—	—	—	3,322
2016	22,191	5	4,438	4,438	—	—	8,876
2017	(12,398)	5	(2,480)	(2,480)	(2,480)	—	(7,440)
2018	(4,370)	5	(874)	(874)	(874)	(874)	(3,496)
Increase (decrease) in pension expense			<u>\$ 238,872</u>	<u>60,252</u>	<u>(174,715)</u>	<u>(44,938)</u>	<u>79,471</u>

(iii) Schedule of Changes in Proportionate Share

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of changes in proportionate share (measurement dates)				
			2019	2020	2021	2022	Total
Miscellaneous Plan:							
2016	\$ 7,628	4	\$ 1,907	—	—	—	1,907
2017	291,636	4	72,909	72,909	—	—	145,818
2018	69,770	4.1	17,017	17,017	17,017	1,702	52,753
Peace Officers and Firefighters Plan:							
2015	7,537	5.1	1,478	148	—	—	1,626
2016	10,242	5.2	1,970	1,970	391	—	4,331
2017	10	5.2	2	2	2	—	6
2018	1,713	5	343	343	343	343	1,372
Increase in pension expense			<u>\$ 95,626</u>	<u>92,389</u>	<u>17,753</u>	<u>2,045</u>	<u>207,813</u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

(iv) 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)				
			2019	2020	2021	2022	Total
Miscellaneous Plan:							
2018	\$ 107,413	4.1	\$ 26,199	26,199	26,199	2,620	81,217
Peace Officers and Firefighters Plan:							
2015	3,382	5.1	663	66	—	—	729
2016	215	5.2	41	41	8	—	90
2018	4,151	5	830	830	830	830	3,320
Increase in pension expense			<u>\$ 27,733</u>	<u>27,136</u>	<u>27,037</u>	<u>3,450</u>	<u>85,356</u>

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

(v) 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 projected and actual earnings on pension plan investments (measurement dates)				
			2019	2020	2021	2022	Total
Miscellaneous Plan:							
2016	\$ 24,430	4	\$ 6,108	—	—	—	6,108
2017	93,268	4	23,317	23,317	—	—	46,634
Peace Officers and Firefighters Plan:							
2017	3,359	5.2	646	646	646	129	2,067
Decrease in pension expense			<u>\$ 30,071</u>	<u>23,963</u>	<u>646</u>	<u>129</u>	<u>54,809</u>

(vi) 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)				
			2019	2020	2021	2022	Total
Miscellaneous Plan:							
2018	\$ 331,957	4.1	\$ 80,965	80,965	80,965	8,096	250,991
Peace Officers and Firefighters Plan:							
2018	295	5	59	59	59	59	236
Decrease in pension expense			<u>\$ 81,024</u>	<u>81,024</u>	<u>81,024</u>	<u>8,155</u>	<u>251,227</u>

*Adjusted for any changes in University's proportionate share

CALIFORNIA STATE UNIVERSITY

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June 30, 2019

(In thousands)

(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 and the California Department of Human Resources (CalHR), respectively.

To be eligible for these benefits, first-tier plan annuitants must retire on or after age 50 with at least five years of service, and second-tier plan annuitants must retire on or after age 55 with at least 10 years of service. In addition, annuitants must retire within 120 days of separation from employment 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 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 benefit terms were:

	Headcount
Retirees elected to receive healthcare benefits	30,757
Active employees	47,995
Total	<u>78,752</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 a State department during the year. The University reimburses the State for retiree's health benefit costs allocated to billable accounts but not for costs allocated to nonbillable accounts. The University is responsible for funding the costs of the billable accounts on a pay-as-you-go basis as part of the statewide general administrative costs charged to the University. The State is responsible for funding the cost of the employer share of healthcare premiums of retirees for all nonbillable accounts. 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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

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.

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

Valuation date:	June 30, 2018
Actuarial cost method:	Entry Age Normal Actuarial Cost Method and the blended discount rates in accordance with the requirements of GASB Statement No. 75
Actuarial assumptions:	
Discount rate	3.62%
Price inflation	2.50%
Wage inflation	2.75%
Healthcare-related:	Based on an experience review for the period July 1, 2007 to June 30, 2014, performed by State Actuary, which were first adopted beginning with the June 30, 2015 actuarial valuation. Assumptions were updated based on experience through June 30, 2017
Healthcare trend rate:	
Pre-Medicare cost trend rate	7.5%, graded down to an ultimate 4.5% over 6 years
Post-Medicare cost trend rate	8.0%, graded down to an ultimate 4.5% over 7 years
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 updated 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

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Notes to Financial Statements

June 30, 2019

(In thousands)

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.

The following table presents the University's total OPEB liability as of the measurement date, calculated using the ultimate trend rate of 4.50%, as well as what the total OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower (3.5%) or one-percentage point higher (5.5%) than the current rate:

	Trend rate -1% (3.5%)	Current trend rate (4.5%)	Trend rate + 1% (5.5%)
Total OPEB liability	\$ 11,525,389	13,128,996	15,171,779

(f) Discount Rate

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2018 and 2017 was 3.62% and 3.56%, 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 3.62%, 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 (2.62%) or one-percentage point higher (4.62%) than the current rate:

	Discount rate -1% (2.62%)	Current discount rate (3.62%)	Discount rate + 1% (4.62%)
Total OPEB liability	\$ 15,372,355	13,128,996	11,329,989

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Notes to Financial Statements

June 30, 2019

(In thousands)

(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, 2017 (Measurement Date)	\$ 13,918,525
Changes recognized for the measurement period:	
Service cost	680,934
Interest on total OPEB liability	513,512
Recognized changes of assumptions	(519,714)
Differences between expected and actual experience (non-investment)	(1,111,239)
Employer contribution	<u>(353,022)</u>
Net changes	<u>(789,529)</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 13,128,996</u>

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

The University recognized OPEB expense of \$721,167 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, 2018 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	\$ 362,261	—
Differences due to changes in assumptions	—	1,625,833
Differences between expected and actual experience (non-investment)	—	956,271
Total	<u>\$ 362,261</u>	<u>2,582,104</u>

The University's contributions subsequent to the measurement date includes \$326,113 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 inflows of resources due to changes in assumptions will be recognized as OPEB expense as follows:

**Decrease in OPEB expenses arising from changes of assumptions
(measurement dates)**

Measurement Period ended June 30	Initial difference	Recognition period (year)	2020	2021	2022	2023	2024	2025	2026	Total
2017	\$ 1,663,194	6.84	\$ 242,299	242,299	242,299	242,299	209,400	—	—	1,178,596
2018	519,714	7.17	<u>72,477</u>	<u>72,477</u>	<u>72,477</u>	<u>72,477</u>	<u>72,477</u>	<u>72,477</u>	<u>12,375</u>	<u>447,237</u>
Decrease in OPEB expenses			<u>\$ 314,776</u>	<u>314,776</u>	<u>314,776</u>	<u>314,776</u>	<u>281,877</u>	<u>72,477</u>	<u>12,375</u>	<u>1,625,833</u>

CALIFORNIA STATE UNIVERSITY

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June 30, 2019

(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)	2020	2021	2022	2023	2024	2025	2026	Total
2018	\$ 1,111,239	7.17	\$ 154,968	154,968	154,968	154,968	154,968	154,968	26,463	956,271
Decrease in OPEB expenses			\$ 154,968	154,968	154,968	154,968	154,968	154,968	26,463	956,271

(14) Deferred Outflows and Inflows of Resources

The composition of deferred outflows and inflows of resources at June 30, 2019 is summarized as follows:

	Deferred outflows of resources	Deferred inflows of resources
Related to:		
Net pension liability (note 12)	\$ 2,003,318	306,036
Total other postemployment benefits liability (note 13)	362,260	2,582,104
Unamortized loss on SRB debt refunding	91,210	—
Total	\$ 2,456,788	2,888,140

(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, 2019. 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, 2019.

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.

(16) Commitments and Contingencies

The State is a defendant in multiple lawsuits involving University 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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2019

(In thousands)

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, 2019 totaled \$1,005,007. 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 \$14,768 of electricity at fixed prices through December 2020. The University estimates that the special purchase contract in place represent approximately 10.82% 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, 2019, 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	\$ 1,947,517	1,448,746	—	218,376	—	3,614,639
Research	29,221	29,323	—	22,036	—	80,580
Public service	30,025	25,071	—	16,774	—	71,870
Academic support	442,503	391,521	—	208,732	—	1,042,756
Student services	469,099	373,524	—	240,874	—	1,083,497
Institutional support	456,017	318,716	—	246,312	—	1,021,045
Operation and maintenance of plant	258,977	241,781	—	391,638	—	892,396
Student grants and scholarships	—	—	915,286	—	—	915,286
Auxiliary enterprise expenses	89,172	83,872	—	267,310	—	440,354
Depreciation and amortization	—	—	—	—	521,100	521,100
Total	\$ 3,722,531	2,912,554	915,286	1,612,052	521,100	9,683,523

(18) Transactions with Related Entities

The University is an agency of the State and receives approximately 43% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$4,137,542 for the year ended June 30, 2019. State appropriations receivable is \$55,191 at June 30, 2019.

State appropriations allocated to the University for the year ended June 30, 2019 consisted of the following:

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June 30, 2019

(In thousands)

	<u>2019</u>
State appropriations, noncapital	\$ 3,776,457
State's contribution on behalf of the University for OPEB	326,113
State appropriations, capital	<u>34,972</u>
Total state appropriations	<u>\$ 4,137,542</u>

(19) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2019, but prior to the date of the auditors' report.

- *SRB Issuance*

In August 2019, the University issued \$449,430 of SRB Series 2019A (Tax Exempt) and \$81,335 of SRB Series 2019B (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund outstanding SRB Series 2010A bonds, and pay related issuance costs.

- *BAN Issuance*

In September 2019, the University issued \$43,255 of BANs for the San Diego State University Aztec Recreation Center expansion.

In October 2019, \$43,345 of BANs were issued for the Long Beach Housing expansion - Parkside North project and \$30,000 for the San Jose State University South Campus Parking Structure and Sports Field Facility Project.

In November 2019, the University issued \$98,300 of BANs for the Capital Outlay Program and Five-Year Facilities Renewal and Improvement Plan.

REQUIRED SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY

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

June 30, 2019

(Unaudited)

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

State of California Miscellaneous Plan	2018⁽²⁾	2017⁽²⁾	2016⁽²⁾	2015⁽²⁾	2014⁽²⁾
University's proportion of the net pension liability	24.09757%	23.87558%	22.87662%	22.84970%	22.72891%
University's proportionate share of the net pension liability	\$ 7,570,176	8,723,068	7,575,326	6,453,200	5,411,439
University's proportionate share of covered payroll	\$ 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	261.02795%	313.71711%	295.07539%	268.00996%	244.88521%
Plan fiduciary net position as a percentage of the total pension liability	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	1.17223%	1.15890%	1.15882%	1.07094%	1.00623%
University's proportionate share of the net pension liability	\$ 163,075	176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	\$ 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	396.26516%	457.89066%	422.61507%	374.89140%	338.91247%
Plan fiduciary net position as a percentage of the total pension liability	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, 2019

(Unaudited)

(In thousands)

Last Ten Fiscal Years⁽¹⁾

	2019	2018	2017	2016	2015
State of California Miscellaneous Plan					
Actuarially determined contribution	\$ 902,330	836,450	737,766	641,710	588,353
Contributions in relation to the actuarially determined contributions	(909,834)	(839,367)	(740,571)	(644,679)	(589,385)
Contribution excess	\$ (7,504)	(2,917)	(2,805)	(2,969)	(1,032)
University's covered payroll	\$ 3,079,834	2,953,043	2,768,770	2,559,878	2,431,410
Contributions as a percentage of covered payroll	29.54166%	28.42380%	26.74729%	25.18397%	24.24046%
State of California Peace Officers and Firefighters Plan					
Actuarially determined contribution	\$ 18,374	17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	(19,153)	(18,442)	(16,600)	(14,647)	(13,610)
Contribution excess	\$ (779)	(680)	(742)	(620)	(1,873)
University's covered payroll	\$ 42,022	41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	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, 2019

(Unaudited)

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, 2017 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25%, 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 retirement are based on 15 years of mortality improvements using the Society of Actuaries 90% of Scale MP 2016. 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, 2017 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, 2019

(Unaudited)

(In thousands)

Last Ten Fiscal Years (1)

	2018 ⁽²⁾	2017 ⁽²⁾
University's total other postemployment benefits liability at beginning of the year	\$ 13,918,525	14,683,420
Changes recognized for the measurement period:		
Service cost	680,934	795,696
Interest on total other postemployment benefits liability	513,512	436,431
Recognized changes of assumptions	(519,714)	(1,663,194)
Recognized differences between Expected and Actual Experience (Non-Investment)	(1,111,239)	—
Employer contributions	(353,022)	(333,828)
Net changes	(789,529)	(764,895)
University's total other postemployment benefits liability at end of the year	\$ 13,128,996	13,918,525
University's covered payroll	\$ 3,121,856	2,994,739
University's total other postemployment benefits liability as a percentage of covered payroll	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, 2019

(Unaudited)

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

	2019	2018
Actuarially determined contributions	\$ 743,648	754,550
Contributions in relation to the actuarially determined contributions	(362,260)	(349,487)
Contribution deficiency	<u>\$ 381,388</u>	<u>405,063</u>
University's covered payroll	\$ 3,121,856	2,994,739
Contributions as a percentage of covered payroll	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.

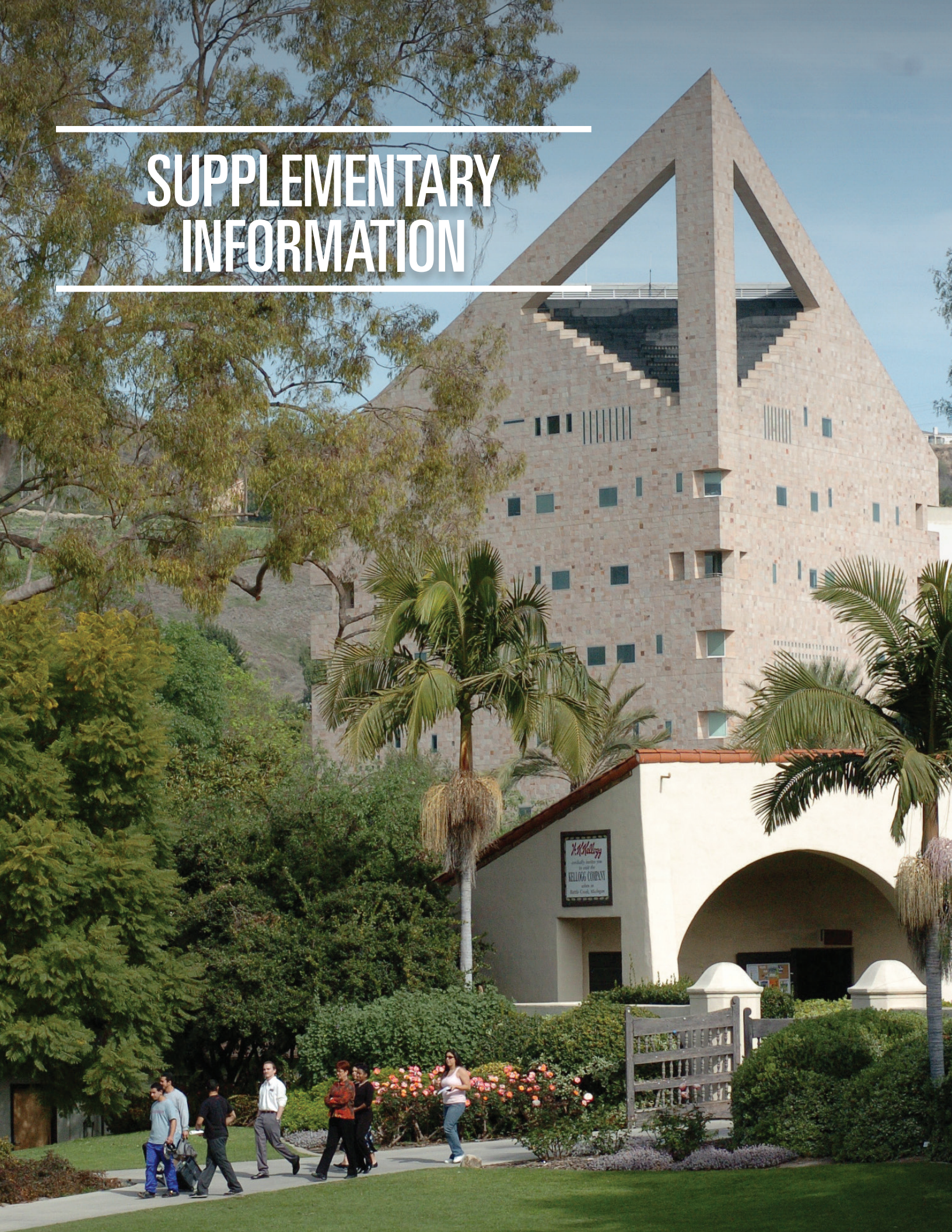
Methods and assumption used to determine actuarially determined contributions:

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 7.00 percent.
Inflation	2.5%
Payroll growth	2.75%
Retirement age	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 percent of Scale MP 2016 published by the Society of Actuaries.

⁽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, 2019

(In thousands)

Gross revenues:

Tuition fees	\$	3,353,956
Student housing		546,895
Student unions/recreation centers		253,990
Parking		128,644
Health centers		10,719
Extended and continuing education		412,537
Auxiliary organizations ¹		611,924
Other related entity ²		7,070
Total gross revenues		<u>5,325,735</u>

Maintenance and operation expenses³:

Academic facilities		313,261
Student housing		343,334
Student unions/recreation centers		121,464
Parking		76,105
Health centers		6,079
Extended and continuing education		408,998
Auxiliary organizations ¹		493,907
Total maintenance and operation expenses		<u>1,763,148</u>
Net income available for debt service	\$	<u>3,562,587</u>

Debt service:

Systemwide revenue bonds debt	\$	382,001
Designated auxiliary organizations debt		2,010
Total debt service	\$	<u>384,011</u>

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

- (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, 2019 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balances of \$105,836, other postemployment benefits expense of \$46,532 pursuant to GASB Statement No. 75, and pension expense of \$52,187 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, 2019

(Unaudited)

	(In thousands)							
	Operating and other revenues	Operating expenditures	Excess of revenues over expenditures	Design capacity	Operational capacity ⁽²⁾	Average number of spaces occupied	% of spaces occupied ⁽³⁾	
California State University, Bakersfield	\$ 5,276	\$ 4,337	\$ 939	578	562	364	65%	
California State University Channel Islands	17,187	9,787	7,400	1,529	1,683	1,529	91	
California State University, Chico	24,110	17,879	6,231	2,235	2,256	2,171	96	
California State University, Dominguez Hills	5,257	3,637	1,620	712	712	687	96	
California State University, East Bay	13,280	9,697	3,583	1,296	1,666	1,632	98	
California State University, Fullerton	29,836	17,028	12,808	1,918	2,039	1,960	96	
Humboldt State University	15,605	10,071	5,534	2,049	2,075	1,967	95	
California State University, Long Beach	23,205	17,589	5,616	1,826	2,050	1,952	95	
California State University, Los Angeles	10,036	6,722	3,314	1,069	1,061	1,017	96	
California State University Maritime Academy	10,666	9,070	1,596	992	992	722	73	
California State University, Northridge	27,800	14,925	12,875	3,595	3,271	3,171	97	
California State Polytechnic University, Pomona	27,662	10,526	17,136	2,440	2,468	2,410	98	
California State University, Sacramento	25,865	20,640	5,225	2,088	2,128	2,086	98	
California State University, San Bernardino	11,505	11,475	30	1,950	1,852	1,044	56	
San Diego State University	62,696	40,823	21,873	3,721	4,798	4,306	90	
San Francisco State University	62,676	18,313	44,363	3,825	3,911	3,859	99	
San José State University	60,503	35,964	24,539	3,939	4,059	3,906	96	
California Polytechnic State University, San Luis Obispo	69,112	35,512	33,600	7,755	8,144	7,556	93	
Sonoma State University	30,104	17,854	12,249	3,146	3,286	2,917	89	
California State University, Stanislaus	5,145	5,847	(701)	460	472	459	97	
	<u>\$ 537,526</u>	<u>\$ 317,696</u>	<u>\$ 219,830</u>	<u>47,123</u>	<u>49,485</u>	<u>45,715</u>	<u>92%</u>	
California State University, Office of the Chancellor (Systemwide Office)	—	3	(3)					
Interest income	8,482	—	8,482					
Total	<u><u>\$ 546,008</u></u>	<u><u>\$ 317,699</u></u>	<u><u>\$ 228,309</u></u>					

CALIFORNIA STATE UNIVERSITY

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

Year ended June 30, 2019

(Unaudited)

(In thousands)

Average annual rates per academic year ⁽⁴⁾

	Residence Halls			Apartments		
	Single	Double	Suite	Single	Double	Suite
California State University, Bakersfield	\$ 12	10	—	—	—	—
California State University Channel Islands	11	10	—	13	11	—
California State University, Chico	9	8	—	9	8	—
California State University, Dominguez Hills	—	—	—	7	10	—
California State University, East Bay	—	—	9	11	9	—
California State University, Fullerton	—	12	—	13	10	—
Humboldt State University	8	6	—	8	6	—
California State University, Long Beach	9	8	—	—	—	—
California State University, Los Angeles	—	—	—	10	8	—
California State University Maritime Academy	8	6	—	—	—	—
California State University, Northridge	—	—	7	12	7	—
California State Polytechnic University, Pomona	11	10	13	—	—	—
California State University, Sacramento	8	7	—	9	8	9
California State University, San Bernardino	8	7	—	9	—	11
San Diego State University	13	11	—	10	8	—
San Francisco State University	—	9	10	13	10	—
San José State University	10	9	—	14	11	—
California Polytechnic State University, San Luis Obispo	—	8	—	10	9	—
Sonoma State University	9	7	—	11	8	—
California State University, Stanislaus	8	—	—	8	7	—
Average annual rates	\$ 6	6	2	8	7	1

⁽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⁾ Percentage of spaces occupied is based on Operational Capacity. In certain cases, percentage occupancy by Design Capacity is over 100%.

⁽⁴⁾ 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.

⁽⁵⁾ The operational capacity does not include 423 apartment units, of which 417 units were occupied by students, faculty, and staff. The annual rates for the one-bedroom, two-bedroom, or three-bedroom units (not bed spaces) vary between \$1 and \$4.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Statement of Insurance Coverage

Year ended June 30, 2019

(Unaudited)

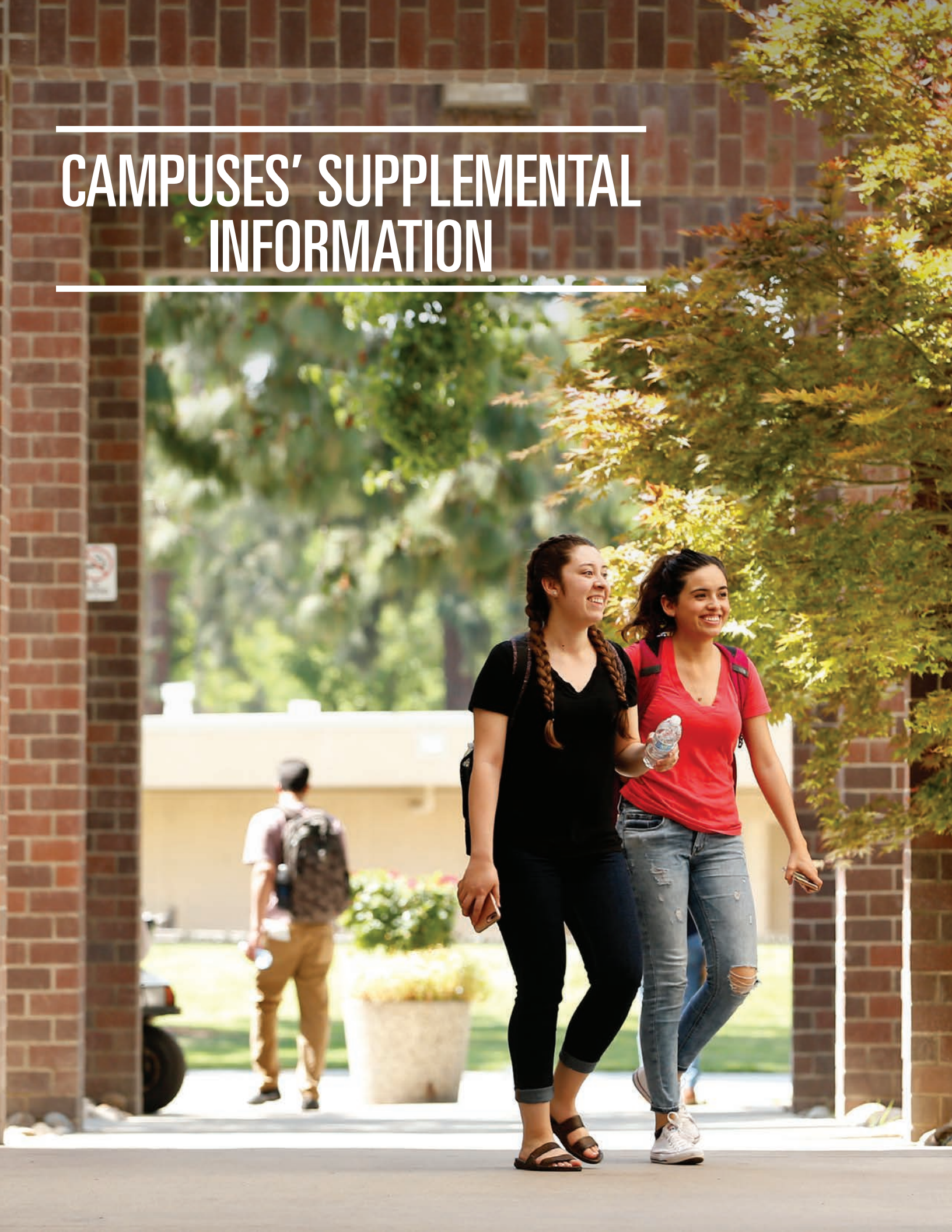
(In thousands)

Expiration date ⁽¹⁾	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
Property Insurance:				
July 1, 2019	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	017471590/05
July 1, 2019	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	017471590/05
General Liability Insurance:				
July 1, 2019	Bodily Injury & Property Damage Liability (Primary)	5,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-1819
July 1, 2019	Bodily Injury & Property Damage Liability (Reinsurance)	5,000	Multiple	Multiple
July 1, 2019	Bodily Injury & Property Damage Liability (Reinsurance)	5,000	Ironshore Indemnity	000541308
July 1, 2019	Bodily Injury & Property Damage Liability (Reinsurance)	10,000	Multiple	Multiple
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	5,000	Great American	1827346
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	5,000	Brit Syndicate	PEXS1012518
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	5,000	Peleus	2902082-01
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	15,000	Gemini	CEX09600368-05
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	50,000	Multiple	Multiple
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	50,000	Multiple	Multiple
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	50,000	XL Catlin	IE00018836L118A
July 1, 2019	Bodily Injury & Property Damage Liability (Excess)	100,000	Multiple	Multiple
Workers' Compensation and Employer's Liability Insurance:				
July 1, 2019	Workers' Compensation and Employer's Liability	California Workers' Compensation Statutes	CSAC Excess Insurance Authority	EIA-PE 18 EWC-143
July 1, 2019	Workers' Compensation and Employer's Liability	2,500	Safety National Casualty Corporation	SP 4058381

⁽¹⁾ Additional insurance policies are maintained for the period from July 1, 2019 through July 1, 2020. 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, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	8,736	8,742
Short-term investments	59,902	255	60,157
Accounts receivable, net	6,135	2,095	8,230
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	782	782
Prepaid expenses and other current assets	661	—	661
Total current assets	<u>66,704</u>	<u>11,868</u>	<u>78,572</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,722	—	1,722
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,506	—	1,506
Pledges receivable, net	—	788	788
Endowment investments	—	24,994	24,994
Other long-term investments	9,782	8,496	18,278
Capital assets, net	153,656	2,651	156,307
Other assets	362	427	789
Total noncurrent assets	<u>167,028</u>	<u>37,356</u>	<u>204,384</u>
Total assets	<u>233,732</u>	<u>49,224</u>	<u>282,956</u>
Deferred Outflows of Resources			
Deferred outflows of resources	58,952	—	58,952
Liabilities			
Current liabilities:			
Accounts payable	2,128	1,928	4,056
Accrued salaries and benefits	9,070	341	9,411
Accrued compensated absences, current portion	2,701	144	2,845
Unearned revenues	3,173	520	3,693
Capital lease obligations, current portion	183	—	183
Long-term debt obligations, current portion	1,342	—	1,342
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	95	—	95
Other liabilities	834	684	1,518
Total current liabilities	<u>19,526</u>	<u>3,617</u>	<u>23,143</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,428	—	2,428
Unearned revenues	—	—	—
Grants refundable	2,224	—	2,224
Capital lease obligations, net of current portion	569	—	569
Long-term debt obligations, net of current portion	57,462	—	57,462
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	261,740	1,020	262,760
Net pension liability	168,412	—	168,412
Other liabilities	333	—	333
Total noncurrent liabilities	<u>493,168</u>	<u>1,020</u>	<u>494,188</u>
Total liabilities	<u>512,694</u>	<u>4,637</u>	<u>517,331</u>
Deferred Inflows of Resources			
Deferred inflows of resources	58,095	—	58,095
Net Position			
Net position:			
Net investment in capital assets	95,775	2,651	98,426
Restricted for:			
Nonexpendable – endowments	—	17,422	17,422
Expendable:			
Scholarships and fellowships	612	5,482	6,094
Research	—	—	—
Loans	112	—	112
Capital projects	3,857	—	3,857
Debt service	8	—	8
Others	2,217	7,202	9,419
Unrestricted	(380,686)	11,830	(368,856)
Total net position	<u>\$ (278,105)</u>	<u>44,587</u>	<u>(233,518)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$45,973)	\$ 34,316	6,828	(2,789)	38,355
Grants and contracts, noncapital:				
Federal	4,158	5,357	—	9,515
State	192	842	(27)	1,007
Local	—	413	—	413
Nongovernmental	405	959	(215)	1,149
Sales and services of educational activities	2,470	—	(299)	2,171
Sales and services of auxiliary enterprises (net of scholarship allowances of \$932)	6,097	482	—	6,579
Other operating revenues	820	4,306	—	5,126
Total operating revenues	<u>48,458</u>	<u>19,187</u>	<u>(3,330)</u>	<u>64,315</u>
Expenses:				
Operating expenses:				
Instruction	72,195	352	(510)	72,037
Research	2,288	1,487	(16)	3,759
Public service	487	2,065	(28)	2,524
Academic support	23,415	497	(199)	23,713
Student services	29,015	10,145	(2,826)	36,334
Institutional support	28,192	3,303	(41)	31,454
Operation and maintenance of plant	14,644	1,004	(1,884)	13,764
Student grants and scholarships	31,152	5,373	—	36,525
Auxiliary enterprise expenses	6,071	—	—	6,071
Depreciation and amortization	9,906	306	—	10,212
Total operating expenses	<u>217,365</u>	<u>24,532</u>	<u>(5,504)</u>	<u>236,393</u>
Operating loss	<u>(168,907)</u>	<u>(5,345)</u>	<u>2,174</u>	<u>(172,078)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	86,614	—	—	86,614
Federal financial aid grants, noncapital	31,619	—	—	31,619
State financial aid grants, noncapital	22,588	—	—	22,588
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,045	3,937	—	4,982
Investment income, net	2,071	45	—	2,116
Endowment income, net	—	742	—	742
Interest expense	(2,019)	—	—	(2,019)
Other nonoperating revenues (expenses)	5,577	(3)	(107)	5,467
Net nonoperating income	<u>147,495</u>	<u>4,721</u>	<u>(107)</u>	<u>152,109</u>
Loss before other revenues	<u>(21,412)</u>	<u>(624)</u>	<u>2,067</u>	<u>(19,969)</u>
State appropriations, capital	1,481	—	—	1,481
Grants and gifts, capital	1,943	—	(2,067)	(124)
Additions to permanent endowments	—	328	—	328
Decrease in net position	<u>(17,988)</u>	<u>(296)</u>	<u>—</u>	<u>(18,284)</u>
Net position:				
Net position at beginning of year	(260,117)	44,883	—	(215,234)
Net position at end of year	<u>\$ (278,105)</u>	<u>44,587</u>	<u>—</u>	<u>(233,518)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 34,037
Federal grants and contracts	2,854
State grants and contracts	227
Local grants and contracts	—
Nongovernmental grants and contracts	308
Payments to suppliers	(27,634)
Payments to employees	(79,430)
Payments for benefits	(39,977)
Payments to students	(31,140)
Collections of student loans	11
Sales and services of educational activities	2,470
Sales and services of auxiliary enterprises	5,971
Other receipts	436
Net cash used in operating activities	<u>(131,867)</u>
Cash flows from noncapital financing activities:	
State appropriations	79,774
Federal financial aid grants	31,619
State financial aid grants	22,588
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,045
Federal loan program receipts	31,308
Federal loan program disbursements	(31,083)
Monies received on behalf of others	5,543
Monies disbursed on behalf of others	(5,531)
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	5,444
Net cash provided by noncapital financing activities	<u>140,707</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	31
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,541
Proceeds from sale of capital assets	2
Acquisition of capital assets	(6,015)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,458)
Interest paid on capital debt and leases	(2,483)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(8,382)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 236,089
Purchases of investments	(237,612)
Investment income proceeds	1,065
Net cash used in investing activities	<u>(458)</u>
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	\$ (168,907)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,906
Change in assets and liabilities:	
Accounts receivable, net	(1,465)
Student loans receivable, net	(28)
Pledges receivable, net	—
Prepaid expenses and other current assets	(68)
Other assets	(308)
Deferred outflows of resources	31,049
Accounts payable	(666)
Accrued salaries and benefits	929
Accrued compensated absences	269
Unearned revenues	201
Depository accounts	—
Total other postemployment benefits liability	(12,183)
Net pension liability	(18,987)
Other liabilities	42
Deferred inflows of resources	28,349
Net cash used in operating activities	<u>\$ (131,867)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 6,840
Contributed capital assets	402
Capital assets paid by the Office of the Chancellor	364
Amortization of net bond premium	298
Acquisition of capital asset through capital lease obligations	287
Change in accrued capital asset purchases	153
Amortization of loss on debt refundings	67

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,799
Payments from discretely presented component units for other than salaries	9,822
Payments to discretely presented component units for services, space, and programs	4,008
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	1,744
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(177)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	83
Payments to the Office of the Chancellor for state pro rata charges	37
Accounts receivable from the Office of the Chancellor	137
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	4
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	876
Other interagency payments or receipts for services, space, and programs	55

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 4	7,788	7,792
Short-term investments	100,748	398	101,146
Accounts receivable, net	7,319	5,074	12,393
Capital lease receivable, current portion	1,225	—	1,225
Notes receivable, current portion	1,725	—	1,725
Pledges receivable, net	—	529	529
Prepaid expenses and other current assets	1,444	100	1,544
Total current assets	<u>112,465</u>	<u>13,889</u>	<u>126,354</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	21,144	21,144
Accounts receivable, net	929	—	929
Capital lease receivable, net of current portion	35,780	—	35,780
Notes receivable, net of current portion	50,405	—	50,405
Student loans receivable, net	16	—	16
Pledges receivable, net	—	118	118
Endowment investments	—	14,872	14,872
Other long-term investments	1,208	1,916	3,124
Capital assets, net	357,445	37,561	395,006
Other assets	4,831	4,953	9,784
Total noncurrent assets	<u>450,614</u>	<u>80,564</u>	<u>531,178</u>
Total assets	<u>563,079</u>	<u>94,453</u>	<u>657,532</u>
Deferred Outflows of Resources			
Deferred outflows of resources	51,368	—	51,368
Liabilities			
Current liabilities:			
Accounts payable	6,833	971	7,804
Accrued salaries and benefits	1,045	146	1,191
Accrued compensated absences, current portion	1,806	14	1,820
Unearned revenues	4,055	7	4,062
Capital lease obligations, current portion	—	1,225	1,225
Long-term debt obligations, current portion	5,983	1,738	7,721
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	386	386
Other liabilities	3,729	2,011	5,740
Total current liabilities	<u>23,451</u>	<u>6,498</u>	<u>29,949</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,709	136	2,845
Unearned revenues	—	—	—
Grants refundable	—	—	—
Capital lease obligations, net of current portion	—	38,763	38,763
Long-term debt obligations, net of current portion	217,424	50,593	268,017
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	144	144
Total other postemployment benefits liability	184,551	—	184,551
Net pension liability	152,514	—	152,514
Other liabilities	—	178	178
Total noncurrent liabilities	<u>557,198</u>	<u>89,814</u>	<u>647,012</u>
Total liabilities	<u>580,649</u>	<u>96,312</u>	<u>676,961</u>
Deferred Inflows of Resources			
Deferred inflows of resources	42,267	—	42,267
Net Position			
Net position:			
Net investment in capital assets	173,486	2,325	175,811
Restricted for:			
Nonexpendable – endowments	—	7,979	7,979
Expendable:			
Scholarships and fellowships	3	1,213	1,216
Research	—	724	724
Loans	36	—	36
Capital projects	885	9,180	10,065
Debt service	1,195	3,330	4,525
Others	783	15,995	16,778
Unrestricted	(184,857)	(42,605)	(227,462)
Total net position	<u>\$ (8,469)</u>	<u>(1,859)</u>	<u>(10,328)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,294)	\$ 27,421	1,961	—	29,382
Grants and contracts, noncapital:				
Federal	3,736	—	—	3,736
State	1,678	—	—	1,678
Local	2	—	—	2
Nongovernmental	638	—	29	667
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,968)	16,830	—	—	16,830
Other operating revenues	5,809	11,929	—	17,738
Total operating revenues	56,114	13,890	29	70,033
Expenses:				
Operating expenses:				
Instruction	56,869	551	5	57,425
Research	5,173	118	—	5,291
Public service	45	4,981	—	5,026
Academic support	23,873	275	47	24,195
Student services	17,360	1,817	17	19,194
Institutional support	18,484	2,743	5	21,232
Operation and maintenance of plant	27,185	7	—	27,192
Student grants and scholarships	13,142	618	—	13,760
Auxiliary enterprise expenses	12,227	5,295	—	17,522
Depreciation and amortization	15,894	1,724	—	17,618
Total operating expenses	190,252	18,129	74	208,455
Operating loss	(134,138)	(4,239)	(45)	(138,422)
Nonoperating revenues (expenses):				
State appropriations, noncapital	92,322	—	—	92,322
Federal financial aid grants, noncapital	17,717	—	—	17,717
State financial aid grants, noncapital	13,912	—	—	13,912
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	85	—	85
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	29	2,647	—	2,676
Investment income, net	3,727	932	—	4,659
Endowment income (loss), net	—	—	—	—
Interest expense	(8,907)	(2,548)	—	(11,455)
Other nonoperating revenues	12,808	4,192	—	17,000
Net nonoperating income	131,608	5,308	—	136,916
Income (loss) before other revenues	(2,530)	1,069	(45)	(1,506)
State appropriations, capital	878	—	—	878
Grants and gifts, capital	45	—	45	90
Additions to permanent endowments	—	185	—	185
Increase (decrease) in net position	(1,607)	1,254	—	(353)
Net position:				
Net position at beginning of year	(6,862)	(3,113)	—	(9,975)
Net position at end of year	\$ (8,469)	(1,859)	—	(10,328)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 28,581
Federal grants and contracts	4,080
State grants and contracts	1,512
Local grants and contracts	26
Nongovernmental grants and contracts	227
Payments to suppliers	(35,236)
Payments to employees	(72,009)
Payments for benefits	(36,976)
Payments to students	(13,135)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	22,122
Other receipts	8,570
Net cash used in operating activities	<u>(92,238)</u>
Cash flows from noncapital financing activities:	
State appropriations	86,062
Federal financial aid grants	17,717
State financial aid grants	13,912
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	29
Federal loan program receipts	28,938
Federal loan program disbursements	(28,908)
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	(2,715)
Interest paid on long-term debt	(4,355)
Issuance of notes receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	1,710
Principal collections on notes receivable	1,530
Interest collections on notes receivable	2,645
Other noncapital financing activities	11,502
Net cash provided by noncapital financing activities	<u>128,067</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	177
State appropriations – SPWB Lease Revenue Bond program	598
Capital grants and gifts	45
Proceeds from sale of capital assets	4
Acquisition of capital assets	(3,108)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,948)
Interest paid on capital debt and leases	(10,258)
Principal collection on capital leases	1,185
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(14,305)</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 191,175
Purchases of investments	(215,135)
Investment income proceeds	2,436
Net cash used in investing activities	<u>(21,524)</u>
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	<u>\$ 4</u>
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	<u>\$ 4</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (134,138)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,894
Change in assets and liabilities:	
Accounts receivable, net	3,738
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other current assets	(237)
Other assets	(3,264)
Deferred outflows of resources	33,022
Accounts payable	33
Accrued salaries and benefits	(12)
Accrued compensated absences	250
Unearned revenues	2,447
Depository accounts	—
Total other postemployment benefits liability	(9,299)
Net pension liability	(21,462)
Other liabilities	(25)
Deferred inflows of resources	20,815
Net cash used in operating activities	<u>\$ (92,238)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 6,261
Amortization of net bond premium	1,120
Change in accrued capital asset purchases	808
Amortization of loss on debt refundings	233
Capital assets paid by the Office of the Chancellor	47

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,227
Payments from discretely presented component units for other than salaries	11,123
Payments to discretely presented component units for services, space, and programs	4,369
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	1,544
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(3,893)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	99
Payments to the Office of the Chancellor for state pro rata charges	61
Accounts receivable from the Office of the Chancellor	174
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	9
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	699
Other interagency payments or receipts for services, space, and programs	(256)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 8	6,426	6,434
Short-term investments	97,023	31,970	128,993
Accounts receivable, net	6,877	17,632	24,509
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,487	1,487
Prepaid expenses and other current assets	2,303	2,730	5,033
Total current assets	<u>106,211</u>	<u>60,245</u>	<u>166,456</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	1,441	1,441
Accounts receivable, net	4,202	—	4,202
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,262	—	2,262
Pledges receivable, net	—	5,023	5,023
Endowment investments	—	58,900	58,900
Other long-term investments	43,000	19,080	62,080
Capital assets, net	313,825	13,659	327,484
Other assets	42	708	750
Total noncurrent assets	<u>363,331</u>	<u>98,811</u>	<u>462,142</u>
Total assets	<u>469,542</u>	<u>159,056</u>	<u>628,598</u>
Deferred Outflows of Resources			
Deferred outflows of resources	96,151	1,450	97,601
Liabilities			
Current liabilities:			
Accounts payable	8,620	3,998	12,618
Accrued salaries and benefits	15,289	2,532	17,821
Accrued compensated absences, current portion	4,026	640	4,666
Unearned revenues	5,203	1,791	6,994
Capital lease obligations, current portion	681	—	681
Long-term debt obligations, current portion	4,255	105	4,360
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	171	—	171
Other liabilities	1,219	1,503	2,722
Total current liabilities	<u>39,464</u>	<u>10,569</u>	<u>50,033</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,304	236	3,540
Unearned revenues	—	3,774	3,774
Grants refundable	4,678	—	4,678
Capital lease obligations, net of current portion	4,234	—	4,234
Long-term debt obligations, net of current portion	132,769	2,306	135,075
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	593,666	1,089	594,755
Net pension liability	287,827	—	287,827
Other liabilities	—	258	258
Total noncurrent liabilities	<u>1,026,478</u>	<u>7,663</u>	<u>1,034,141</u>
Total liabilities	<u>1,065,942</u>	<u>18,232</u>	<u>1,084,174</u>
Deferred Inflows of Resources			
Deferred inflows of resources	128,172	745	128,917
Net Position			
Net position:			
Net investment in capital assets	182,293	11,247	193,540
Restricted for:			
Nonexpendable – endowments	—	61,098	61,098
Expendable:			
Scholarships and fellowships	5	1,659	1,664
Research	—	5,478	5,478
Loans	597	—	597
Capital projects	3,911	2,201	6,112
Debt service	26	—	26
Others	—	25,215	25,215
Unrestricted	(815,253)	34,631	(780,622)
Total net position	<u>\$ (628,421)</u>	<u>141,529</u>	<u>(486,892)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$63,831)	\$ 69,637	10,118	—	79,755
Grants and contracts, noncapital:				
Federal	—	21,745	—	21,745
State	3	7,349	—	7,352
Local	—	1,345	—	1,345
Nongovernmental	—	3,845	—	3,845
Sales and services of educational activities	164	4,395	—	4,559
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,523)	23,147	13,058	—	36,205
Other operating revenues	6,715	1,453	—	8,168
Total operating revenues	99,666	63,308	—	162,974
Expenses:				
Operating expenses:				
Instruction	120,952	3,180	(23)	124,109
Research	1,421	2,403	(161)	3,663
Public service	1,771	20,529	—	22,300
Academic support	44,282	5,624	(743)	49,163
Student services	37,130	7,551	(288)	44,393
Institutional support	33,986	7,261	(691)	40,556
Operation and maintenance of plant	31,128	3,767	—	34,895
Student grants and scholarships	37,366	3,935	(2,234)	39,067
Auxiliary enterprise expenses	21,083	11,047	—	32,130
Depreciation and amortization	17,506	1,741	—	19,247
Total operating expenses	346,625	67,038	(4,140)	409,523
Operating loss	(246,959)	(3,730)	4,140	(246,549)
Nonoperating revenues (expenses):				
State appropriations, noncapital	141,302	—	—	141,302
Federal financial aid grants, noncapital	40,080	—	—	40,080
State financial aid grants, noncapital	30,484	—	—	30,484
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	2,303	—	(2,303)	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,264	6,767	(1,257)	6,774
Investment income, net	3,891	1,649	—	5,540
Endowment income, net	—	1,633	—	1,633
Interest expense	(5,414)	(72)	—	(5,486)
Other nonoperating revenues	18,349	796	—	19,145
Net nonoperating income	232,259	10,773	(3,560)	239,472
Income (loss) before other revenues	(14,700)	7,043	580	(7,077)
State appropriations, capital	3,306	—	—	3,306
Grants and gifts, capital	852	—	(580)	272
Additions to permanent endowments	—	3,138	—	3,138
Increase (decrease) in net position	(10,542)	10,181	—	(361)
Net position:				
Net position at beginning of year	(617,879)	131,348	—	(486,531)
Net position at end of year	\$ (628,421)	141,529	—	(486,892)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 69,152
Federal grants and contracts	—
State grants and contracts	3
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(47,677)
Payments to employees	(131,505)
Payments for benefits	(69,452)
Payments to students	(38,086)
Collections of student loans	697
Sales and services of educational activities	164
Sales and services of auxiliary enterprises	22,269
Other receipts	6,593
	<u>(187,842)</u>
Net cash used in operating activities	<u>(187,842)</u>
Cash flows from noncapital financing activities:	
State appropriations	128,887
Federal financial aid grants	40,080
State financial aid grants	30,507
Nongovernmental and other financial aid grants	2,303
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,264
Federal loan program receipts	56,026
Federal loan program disbursements	(55,501)
Monies received on behalf of others	5,777
Monies disbursed on behalf of others	(6,109)
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	19,667
	<u>222,901</u>
Net cash provided by noncapital financing activities	<u>222,901</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	24
State appropriations – SPWB Lease Revenue Bond program	196
Capital grants and gifts	852
Proceeds from sale of capital assets	56
Acquisition of capital assets	(22,497)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(4,858)
Interest paid on capital debt and leases	(5,766)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>(31,993)</u>
Net cash used in capital and related financing activities	<u>(31,993)</u>

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 362,253
Purchases of investments	(367,154)
Investment income proceeds	1,837
Net cash used in investing activities	<u>(3,064)</u>
Net increase in cash and cash equivalents	2
Cash and cash equivalents at beginning of year	6
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	\$ (246,959)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,506
Change in assets and liabilities:	
Accounts receivable, net	(119)
Student loans receivable, net	(23)
Pledges receivable, net	—
Prepaid expenses and other current assets	41
Other assets	(29)
Deferred outflows of resources	61,642
Accounts payable	1,165
Accrued salaries and benefits	328
Accrued compensated absences	584
Unearned revenues	225
Depository accounts	—
Total other postemployment benefits liability	(37,106)
Net pension liability	(45,779)
Other liabilities	53
Deferred inflows of resources	60,629
Net cash used in operating activities	<u>\$ (187,842)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 12,415
Amortization of net bond premium	841
Change in accrued capital asset purchases	767
Amortization of loss on debt refundings	522
Capital assets paid by the Office of the Chancellor	76

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,544
Payments from discretely presented component units for other than salaries	5,680
Payments to discretely presented component units for services, space, and programs	17,477
Gifts in kind from discretely presented component units	39
Gifts (cash or assets) from discretely presented component units	1,797
Accounts receivable from discretely presented component units	378
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(339)
Other amounts payable to discretely presented component units	(37)
Payments to the Office of the Chancellor for administrative activities	1,022
Payments to the Office of the Chancellor for state pro rata charges	40
Accounts receivable from the Office of the Chancellor	3,979
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	4
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,478
Other interagency payments or receipts for services, space, and programs	(65)

See accompanying independent auditors' report.



NATION'S LARGEST
four-year public
university system

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 1,494	11,678	13,172
Short-term investments	70,738	11,514	82,252
Accounts receivable, net	10,990	3,025	14,015
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	—	—
Prepaid expenses and other current assets	474	91	565
Total current assets	<u>83,696</u>	<u>26,308</u>	<u>110,004</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	253	253
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	768	—	768
Pledges receivable, net	—	—	—
Endowment investments	—	12,543	12,543
Other long-term investments	41,821	11,134	52,955
Capital assets, net	245,374	1,670	247,044
Other assets	50	—	50
Total noncurrent assets	<u>288,013</u>	<u>25,600</u>	<u>313,613</u>
Total assets	<u>371,709</u>	<u>51,908</u>	<u>423,617</u>
Deferred Outflows of Resources			
Deferred outflows of resources	70,148	492	70,640
Liabilities			
Current liabilities:			
Accounts payable	14,589	706	15,295
Accrued salaries and benefits	12,250	121	12,371
Accrued compensated absences, current portion	2,974	280	3,254
Unearned revenues	9,498	119	9,617
Capital lease obligations, current portion	573	—	573
Long-term debt obligations, current portion	1,465	—	1,465
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	55	—	55
Other liabilities	3,212	459	3,671
Total current liabilities	<u>44,616</u>	<u>1,685</u>	<u>46,301</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,328	24	4,352
Unearned revenues	—	—	—
Grants refundable	1,000	—	1,000
Capital lease obligations, net of current portion	290	—	290
Long-term debt obligations, net of current portion	75,957	—	75,957
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	10,468	10,468
Total other postemployment benefits liability	348,264	2,745	351,009
Net pension liability	211,438	558	211,996
Other liabilities	—	1,039	1,039
Total noncurrent liabilities	<u>641,277</u>	<u>14,834</u>	<u>656,111</u>
Total liabilities	<u>685,893</u>	<u>16,519</u>	<u>702,412</u>
Deferred Inflows of Resources			
Deferred inflows of resources	76,787	103	76,890
Net Position			
Net position:			
Net investment in capital assets	197,104	1,670	198,774
Restricted for:			
Nonexpendable – endowments	—	12,641	12,641
Expendable:			
Scholarships and fellowships	86	7,063	7,149
Research	—	—	—
Loans	334	—	334
Capital projects	1,310	—	1,310
Debt service	3,449	—	3,449
Others	60	2,151	2,211
Unrestricted	(523,166)	12,253	(510,913)
Total net position	<u>\$ (320,823)</u>	<u>35,778</u>	<u>(285,045)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$66,002)	\$ 52,082	4,895	—	56,977
Grants and contracts, noncapital:				
Federal	—	13,111	—	13,111
State	—	287	—	287
Local	—	—	—	—
Nongovernmental	—	300	—	300
Sales and services of educational activities	238	—	—	238
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,044)	7,431	4,780	—	12,211
Other operating revenues	4,261	2,392	—	6,653
Total operating revenues	<u>64,012</u>	<u>25,765</u>	<u>—</u>	<u>89,777</u>
Expenses:				
Operating expenses:				
Instruction	107,958	5,235	—	113,193
Research	712	5,347	—	6,059
Public service	1,222	—	—	1,222
Academic support	31,022	1,486	—	32,508
Student services	29,097	4,703	(174)	33,626
Institutional support	33,633	4,154	—	37,787
Operation and maintenance of plant	29,077	287	—	29,364
Student grants and scholarships	34,441	795	—	35,236
Auxiliary enterprise expenses	5,775	9,609	—	15,384
Depreciation and amortization	9,722	326	—	10,048
Total operating expenses	<u>282,659</u>	<u>31,942</u>	<u>(174)</u>	<u>314,427</u>
Operating loss	<u>(218,647)</u>	<u>(6,177)</u>	<u>174</u>	<u>(224,650)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	115,992	—	—	115,992
Federal financial aid grants, noncapital	44,646	—	—	44,646
State financial aid grants, noncapital	26,735	—	—	26,735
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,120	—	—	1,120
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	131	4,804	(131)	4,804
Investment income, net	3,244	556	—	3,800
Endowment income, net	—	305	—	305
Interest expense	(2,825)	(1)	—	(2,826)
Other nonoperating revenues	47,109	538	—	47,647
Net nonoperating income	<u>236,152</u>	<u>6,202</u>	<u>(131)</u>	<u>242,223</u>
Income before other revenues	17,505	25	43	17,573
State appropriations, capital	—	—	—	—
Grants and gifts, capital	3,043	—	(43)	3,000
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>20,548</u>	<u>25</u>	<u>—</u>	<u>20,573</u>
Net position:				
Net position at beginning of year	<u>(341,371)</u>	<u>35,753</u>	<u>—</u>	<u>(305,618)</u>
Net position at end of year	<u>\$ (320,823)</u>	<u>35,778</u>	<u>—</u>	<u>(285,045)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2018

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 53,530
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(36,781)
Payments to employees	(110,035)
Payments for benefits	(51,848)
Payments to students	(33,914)
Collections of student loans	3
Sales and services of educational activities	238
Sales and services of auxiliary enterprises	7,333
Other receipts	5,048
	<u>(166,426)</u>
Cash flows from noncapital financing activities:	
State appropriations	107,360
Federal financial aid grants	44,645
State financial aid grants	26,730
Nongovernmental and other financial aid grants	1,120
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	131
Federal loan program receipts	46,350
Federal loan program disbursements	(46,114)
Monies received on behalf of others	1,919
Monies disbursed on behalf of others	(1,971)
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	47,067
	<u>227,237</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	55,109
State appropriations	637
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	3,043
Proceeds from sale of capital assets	2,618
Acquisition of capital assets	(76,058)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,963)
Interest paid on capital debt and leases	(3,999)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>(20,613)</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2018

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 331,781
Purchases of investments	(372,461)
Investment income proceeds	1,973
Net cash used in investing activities	<u>(38,707)</u>
Net increase in cash and cash equivalents	1,491
Cash and cash equivalents at beginning of year	3
Cash and cash equivalents at end of year	<u>\$ 1,494</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,494
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 1,494</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (218,647)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,722
Change in assets and liabilities:	
Accounts receivable, net	1,325
Student loans receivable, net	(43)
Pledges receivable, net	—
Prepaid expenses and other current assets	(22)
Other assets	(32)
Deferred outflows of resources	41,299
Accounts payable	(543)
Accrued salaries and benefits	913
Accrued compensated absences	835
Unearned revenues	950
Depository accounts	—
Total other postemployment benefits liability	(13,578)
Net pension liability	(27,114)
Other liabilities	932
Deferred inflows of resources	37,577
Net cash used in operating activities	<u>\$ (166,426)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 8,632
Change in accrued capital asset purchases	8,191
Amortization of net bond premium	490
Capital assets paid by the Office of the Chancellor	47
Amortization of loss on debt refundings	34

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,456
Payments from discretely presented component units for other than salaries	2,137
Payments to discretely presented component units for services, space, and programs	1,048
Gifts in kind from discretely presented component units	24
Gifts (cash or assets) from discretely presented component units	4,797
Accounts receivable from discretely presented component units	822
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(133)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	420
Payments to the Office of the Chancellor for state pro rata charges	83
Accounts receivable from the Office of the Chancellor	2,909
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	1,919
Other interagency payments or receipts for services, space, and programs	256

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 18	2,955	2,973
Short-term investments	108,466	28,219	136,685
Accounts receivable, net	7,168	4,318	11,486
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,370	1,370
Prepaid expenses and other current assets	1,208	0	1,208
Total current assets	<u>116,860</u>	<u>36,862</u>	<u>153,722</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	684	—	684
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,390	—	1,390
Pledges receivable, net	—	236	236
Endowment investments	—	13,054	13,054
Other long-term investments	1,102	—	1,102
Capital assets, net	217,521	4,292	221,813
Other assets	51	—	51
Total noncurrent assets	<u>220,748</u>	<u>17,582</u>	<u>238,330</u>
Total assets	<u>337,608</u>	<u>54,444</u>	<u>392,052</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>77,822</u>	<u>1,545</u>	<u>79,367</u>
Liabilities			
Current liabilities:			
Accounts payable	5,547	2,945	8,492
Accrued salaries and benefits	13,372	26	13,398
Accrued compensated absences, current portion	5,561	48	5,609
Unearned revenues	7,298	1,316	8,614
Capital lease obligations, current portion	762	—	762
Long-term debt obligations, current portion	2,915	245	3,160
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	365	3,497	3,862
Other liabilities	1,608	13	1,621
Total current liabilities	<u>37,428</u>	<u>8,090</u>	<u>45,518</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,817	—	1,817
Unearned revenues	—	—	—
Grants refundable	2,081	—	2,081
Capital lease obligations, net of current portion	779	—	779
Long-term debt obligations, net of current portion	93,833	1,580	95,413
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	484,135	2,700	486,835
Net pension liability	268,919	6,253	275,172
Other liabilities	—	—	—
Total noncurrent liabilities	<u>851,564</u>	<u>10,533</u>	<u>862,097</u>
Total liabilities	<u>888,992</u>	<u>18,623</u>	<u>907,615</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>105,865</u>	<u>298</u>	<u>106,163</u>
Net Position			
Net position:			
Net investment in capital assets	122,618	2,453	125,071
Restricted for:			
Nonexpendable – endowments	—	13,054	13,054
Expendable:			
Scholarships and fellowships	1,343	2,724	4,067
Research	—	—	—
Loans	502	—	502
Capital projects	721	240	961
Debt service	20	—	20
Others	1,789	3,780	5,569
Unrestricted	(706,420)	14,817	(691,603)
Total net position	<u>\$ (579,427)</u>	<u>37,068</u>	<u>(542,359)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$50,171)	\$ 81,503	1,815	—	83,318
Grants and contracts, noncapital:				
Federal	—	9,355	—	9,355
State	—	1,420	—	1,420
Local	100	—	—	100
Nongovernmental	—	1,254	—	1,254
Sales and services of educational activities	137	—	—	137
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,647)	12,493	9	—	12,502
Other operating revenues	10,497	452	—	10,949
Total operating revenues	104,730	14,305	—	119,035
Expenses:				
Operating expenses:				
Instruction	98,244	1,180	—	99,424
Research	2,027	1,812	—	3,839
Public service	1,619	6,505	—	8,124
Academic support	48,745	1,276	—	50,021
Student services	36,556	1,256	—	37,812
Institutional support	29,977	—	—	29,977
Operation and maintenance of plant	24,691	—	—	24,691
Student grants and scholarships	27,507	206	—	27,713
Auxiliary enterprise expenses	15,675	5,102	(1,958)	18,819
Depreciation and amortization	14,350	185	—	14,535
Total operating expenses	299,391	17,522	(1,958)	314,955
Operating loss	(194,661)	(3,217)	1,958	(195,920)
Nonoperating revenues (expenses):				
State appropriations, noncapital	120,548	—	—	120,548
Federal financial aid grants, noncapital	33,131	—	—	33,131
State financial aid grants, noncapital	22,789	—	—	22,789
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	726	—	—	726
Other federal nonoperating grants, noncapital	402	—	—	402
Gifts, noncapital	1,194	1,346	(1,958)	582
Investment income, net	3,109	708	—	3,817
Endowment income, net	—	181	—	181
Interest expense	(4,108)	(51)	—	(4,159)
Other nonoperating revenues	7,478	1,002	—	8,480
Net nonoperating revenues	185,269	3,186	(1,958)	186,497
Loss before other revenues	(9,392)	(31)	—	(9,423)
State appropriations, capital	(28)	—	—	(28)
Grants and gifts, capital	—	67	—	67
Additions to permanent endowments	—	1,053	—	1,053
Increase (decrease) in net position	(9,420)	1,089	—	(8,331)
Net position:				
Net position at beginning of year	(570,007)	35,979	—	(534,028)
Net position at end of year	<u>\$ (579,427)</u>	<u>37,068</u>	<u>—</u>	<u>(542,359)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 81,050
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	100
Nongovernmental grants and contracts	—
Payments to suppliers	(58,996)
Payments to employees	(116,315)
Payments for benefits	(59,203)
Payments to students	(27,533)
Collections of student loans	5
Sales and services of educational activities	137
Sales and services of auxiliary enterprises	12,493
Other receipts	9,562
	<u>(158,700)</u>
Net cash used in operating activities	(158,700)
Cash flows from noncapital financing activities:	
State appropriations	108,853
Federal financial aid grants	33,511
State financial aid grants	23,615
Nongovernmental and other financial aid grants	726
Other federal nonoperating grants	402
Gifts and grants received for other than capital purposes	1,194
Federal loan program receipts	49,991
Federal loan program disbursements	(49,588)
Monies received on behalf of others	624
Monies disbursed on behalf of others	(524)
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	6,066
	<u>174,870</u>
Net cash provided by noncapital financing activities	174,870
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	204
State appropriations – SPWB Lease Revenue Bond program	28
Capital grants and gifts	—
Proceeds from sale of capital assets	3
Acquisition of capital assets	(4,672)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,531)
Interest paid on capital debt and leases	(4,597)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>(12,565)</u>
Net cash used in capital and related financing activities	(12,565)

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 346,070
Purchases of investments	(351,219)
Investment income proceeds	1,545
Net cash used in investing activities	<u>(3,604)</u>
Net increase in cash and cash equivalents	1
Cash and cash equivalents at beginning of year	17
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	\$ (194,661)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,350
Change in assets and liabilities:	
Accounts receivable, net	310
Student loans receivable, net	(38)
Pledges receivable, net	—
Prepaid expenses and other current assets	(423)
Other assets	(36)
Deferred outflows of resources	68,120
Accounts payable	(2,027)
Accrued salaries and benefits	1,173
Accrued compensated absences	(87)
Unearned revenues	(867)
Depository accounts	—
Total other postemployment benefits liability	(43,737)
Net pension liability	(49,405)
Other liabilities	(344)
Deferred inflows of resources	48,972
Net cash used in operating activities	<u>\$ (158,700)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 11,696
Capital assets paid by the Office of the Chancellor	1,416
Amortization of net bond premium	624
Amortization of loss on debt refundings	214
Change in accrued capital asset purchases	111

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,347
Payments from discretely presented component units for other than salaries	2,382
Payments to discretely presented component units for services, space, and programs	229
Gifts in kind from discretely presented component units	6
Gifts (cash or assets) from discretely presented component units	1,958
Accounts receivable from discretely presented component units	3,407
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	201
Payments to the Office of the Chancellor for state pro rata charges	74
Accounts receivable from the Office of the Chancellor	207
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	83
Accounts payable to campuses other than the Office of the Chancellor	(17)
State lottery allocation received	1,367
Other interagency payments or receipts for services, space, and programs	109

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 12	16,282	16,294
Short-term investments	83,895	60,530	144,425
Accounts receivable, net	9,911	38,477	48,388
Capital lease receivable, current portion	3,820	—	3,820
Notes receivable, current portion	—	6	6
Pledges receivable, net	—	5,603	5,603
Prepaid expenses and other current assets	877	1,910	2,787
Total current assets	<u>98,515</u>	<u>122,808</u>	<u>221,323</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	239	239
Accounts receivable, net	21	49	70
Capital lease receivable, net of current portion	41,225	—	41,225
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,968	335	2,303
Pledges receivable, net	—	18,110	18,110
Endowment investments	684	157,882	158,566
Other long-term investments	10,783	14,867	25,650
Capital assets, net	220,098	79,056	299,154
Other assets	196	890	1,086
Total noncurrent assets	<u>274,975</u>	<u>271,428</u>	<u>546,403</u>
Total assets	<u>373,490</u>	<u>394,236</u>	<u>767,726</u>
Deferred Outflows of Resources			
Deferred outflows of resources	122,649	1,137	123,786
Liabilities			
Current liabilities:			
Accounts payable	8,322	10,155	18,477
Accrued salaries and benefits	22,770	3,933	26,703
Accrued compensated absences, current portion	5,257	208	5,465
Unearned revenues	2,992	15,951	18,943
Capital lease obligations, current portion	1,962	3,820	5,782
Long-term debt obligations, current portion	2,635	2,628	5,263
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	105	296	401
Other liabilities	7,042	2,717	9,759
Total current liabilities	<u>51,085</u>	<u>39,708</u>	<u>90,793</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,596	592	6,188
Unearned revenues	—	—	—
Grants refundable	2,306	—	2,306
Capital lease obligations, net of current portion	29,848	46,920	76,768
Long-term debt obligations, net of current portion	55,665	2,723	58,388
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	2,976	2,976
Total other postemployment benefits liability	652,015	8,814	660,829
Net pension liability	363,616	2,571	366,187
Other liabilities	945	898	1,843
Total noncurrent liabilities	<u>1,109,991</u>	<u>65,494</u>	<u>1,175,485</u>
Total liabilities	<u>1,161,076</u>	<u>105,202</u>	<u>1,266,278</u>
Deferred Inflows of Resources			
Deferred inflows of resources	142,602	1,915	144,517
Net Position			
Net position:			
Net investment in capital assets	175,244	24,965	200,209
Restricted for:			
Nonexpendable – endowments	684	121,173	121,857
Expendable:			
Scholarships and fellowships	244	41,440	41,684
Research	110	—	110
Loans	508	1,669	2,177
Capital projects	39	—	39
Debt service	614	—	614
Others	99	46,721	46,820
Unrestricted	(985,081)	52,288	(932,793)
Total net position	<u>\$ (807,539)</u>	<u>288,256</u>	<u>(519,283)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$110,504)	\$ 76,375	5,252	—	81,627
Grants and contracts, noncapital:				
Federal	93	21,174	—	21,267
State	119	10,448	—	10,567
Local	—	—	—	—
Nongovernmental	—	4,279	—	4,279
Sales and services of educational activities	349	—	—	349
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	4,833	61,339	—	66,172
Other operating revenues	9,846	1,078	—	10,924
Total operating revenues	<u>91,615</u>	<u>103,570</u>	<u>—</u>	<u>195,185</u>
Expenses:				
Operating expenses:				
Instruction	192,255	13,216	—	205,471
Research	4,035	6,113	—	10,148
Public service	3,056	18,467	—	21,523
Academic support	49,216	112	—	49,328
Student services	57,946	(6,802)	—	51,144
Institutional support	38,587	455	—	39,042
Operation and maintenance of plant	54,945	1,790	—	56,735
Student grants and scholarships	66,832	13,114	(4,762)	75,184
Auxiliary enterprise expenses	2,868	81,370	(2,041)	82,197
Depreciation and amortization	16,778	5,252	—	22,030
Total operating expenses	<u>486,518</u>	<u>133,087</u>	<u>(6,803)</u>	<u>612,802</u>
Operating loss	<u>(394,903)</u>	<u>(29,517)</u>	<u>6,803</u>	<u>(417,617)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	189,831	—	—	189,831
Federal financial aid grants, noncapital	69,361	—	—	69,361
State financial aid grants, noncapital	51,993	—	—	51,993
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	5,092	—	—	5,092
Other federal nonoperating grants, noncapital	82	—	—	82
Gifts, noncapital	1,132	29,708	(5,432)	25,408
Investment income, net	5,551	3,900	—	9,451
Endowment income, net	12	10,929	—	10,941
Interest expense	(3,734)	(118)	—	(3,852)
Other nonoperating revenues (expenses)	7,814	(7,755)	—	59
Net nonoperating revenues	<u>327,134</u>	<u>36,664</u>	<u>(5,432)</u>	<u>358,366</u>
Income (loss) before other revenues	(67,769)	7,147	1,371	(59,251)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,935	138	(1,371)	702
Additions to permanent endowments	—	5,799	—	5,799
Increase (decrease) in net position	<u>(65,834)</u>	<u>13,084</u>	<u>—</u>	<u>(52,750)</u>
Net position:				
Net position at beginning of year	(741,705)	275,172	—	(466,533)
Net position at end of year	<u>\$ (807,539)</u>	<u>288,256</u>	<u>—</u>	<u>(519,283)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 73,921
Federal grants and contracts	82
State grants and contracts	336
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(75,929)
Payments to employees	(175,075)
Payments for benefits	(82,754)
Payments to students	(66,652)
Collections of student loans	—
Sales and services of educational activities	349
Sales and services of auxiliary enterprises	4,801
Other receipts	10,529
Net cash used in operating activities	<u>(310,392)</u>
Cash flows from noncapital financing activities:	
State appropriations	174,273
Federal financial aid grants	68,674
State financial aid grants	51,993
Nongovernmental and other financial aid grants	5,092
Other federal nonoperating grants	82
Gifts and grants received for other than capital purposes	1,132
Federal loan program receipts	58,300
Federal loan program disbursements	(57,953)
Monies received on behalf of others	5,189
Monies disbursed on behalf of others	(5,188)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(1,855)
Interest paid on long-term debt	(1,936)
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	7,725
Net cash provided by noncapital financing activities	<u>305,528</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	73
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	69
Acquisition of capital assets	(1,344)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(2,615)
Interest paid on capital debt and leases	(1,988)
Principal collection on capital leases	1,820
Interest collection on capital leases	1,912
Net cash used in capital and related financing activities	<u>(2,073)</u>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 539,555
Purchases of investments	(534,835)
Investment income proceeds	2,217
Net cash provided by investing activities	<u>6,937</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	12
Cash and cash equivalents at end of year	<u>\$ 12</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 12
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 12</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (394,903)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,778
Change in assets and liabilities:	
Accounts receivable, net	4,512
Student loans receivable, net	(101)
Pledges receivable, net	—
Prepaid expenses and other current assets	(74)
Other assets	(163)
Deferred outflows of resources	67,732
Accounts payable	436
Accrued salaries and benefits	455
Accrued compensated absences	(163)
Unearned revenues	(248)
Depository accounts	—
Total other postemployment benefits liability	(29,938)
Net pension liability	(46,316)
Other liabilities	2,492
Deferred inflows of resources	69,109
Net cash used in operating activities	<u>\$ (310,392)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 15,558
Acquisition of capital asset through capital lease obligations	3,975
Contributed capital assets	1,935
Change in accrued capital asset purchases	440
Amortization of net bond premium	157
Capital assets paid by the Office of the Chancellor	70
Amortization of loss on debt refundings	27

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,863
Payments from discretely presented component units for other than salaries	2,602
Payments to discretely presented component units for services, space, and programs	12,559
Gifts in kind from discretely presented component units	2,842
Gifts (cash or assets) from discretely presented component units	162
Accounts receivable from discretely presented component units	2,887
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(887)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	147
Payments to the Office of the Chancellor for state pro rata charges	45
Accounts receivable from the Office of the Chancellor	321
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	74
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,406
Other interagency payments or receipts for services, space, and programs	(99)

See accompanying independent auditors' report.



23 CAMPUSES
and eight
off-campus centers



CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 11	36,600	36,611
Short-term investments	219,196	11,794	230,990
Accounts receivable, net	5,687	7,764	13,451
Capital lease receivable, current portion	140	1,105	1,245
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,610	2,610
Prepaid expenses and other current assets	4,249	3,751	8,000
Total current assets	<u>229,283</u>	<u>63,624</u>	<u>292,907</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	5,139	5,139
Accounts receivable, net	2,347	—	2,347
Capital lease receivable, net of current portion	4,520	18,970	23,490
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,829	—	2,829
Pledges receivable, net	—	1,701	1,701
Endowment investments	—	65,987	65,987
Other long-term investments	37,518	2,311	39,829
Capital assets, net	477,629	72,869	550,498
Other assets	5,154	243	5,397
Total noncurrent assets	<u>529,997</u>	<u>167,220</u>	<u>697,217</u>
Total assets	<u>759,280</u>	<u>230,844</u>	<u>990,124</u>
Deferred Outflows of Resources			
Deferred outflows of resources	158,677	—	158,677
Liabilities			
Current liabilities:			
Accounts payable	11,144	5,039	16,183
Accrued salaries and benefits	34,773	172	34,945
Accrued compensated absences, current portion	7,859	378	8,237
Unearned revenues	11,547	1,243	12,790
Capital lease obligations, current portion	2,769	140	2,909
Long-term debt obligations, current portion	8,015	1,823	9,838
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	104	3,024	3,128
Other liabilities	9,441	3,996	13,437
Total current liabilities	<u>85,652</u>	<u>15,815</u>	<u>101,467</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,430	725	7,155
Unearned revenues	—	—	—
Grants refundable	4,162	—	4,162
Capital lease obligations, net of current portion	26,025	4,520	30,545
Long-term debt obligations, net of current portion	227,673	59,142	286,815
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	752	752
Total other postemployment benefits liability	865,408	1,172	866,580
Net pension liability	532,300	8,062	540,362
Other liabilities	—	3,331	3,331
Total noncurrent liabilities	<u>1,661,998</u>	<u>77,704</u>	<u>1,739,702</u>
Total liabilities	<u>1,747,650</u>	<u>93,519</u>	<u>1,841,169</u>
Deferred Inflows of Resources			
Deferred inflows of resources	191,286	—	191,286
Net Position			
Net position:			
Net investment in capital assets	227,733	27,319	255,052
Restricted for:			
Nonexpendable – endowments	—	57,788	57,788
Expendable:			
Scholarships and fellowships	—	4,366	4,366
Research	—	—	—
Loans	719	—	719
Capital projects	2,318	—	2,318
Debt service	50	—	50
Others	384	33,265	33,649
Unrestricted	(1,252,183)	14,587	(1,237,596)
Total net position	<u>\$ (1,020,979)</u>	<u>137,325</u>	<u>(883,654)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$134,516)	\$ 174,374	14,478	—	188,852
Grants and contracts, noncapital:				
Federal	310	17,058	—	17,368
State	—	3,616	—	3,616
Local	—	4,016	—	4,016
Nongovernmental	5	2,645	—	2,650
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,281)	39,425	32,104	—	71,529
Other operating revenues	16,590	20,071	—	36,661
Total operating revenues	<u>230,704</u>	<u>93,988</u>	<u>—</u>	<u>324,692</u>
Expenses:				
Operating expenses:				
Instruction	266,185	7,270	—	273,455
Research	910	5,101	—	6,011
Public service	859	8,386	—	9,245
Academic support	37,490	530	—	38,020
Student services	58,051	16,168	—	74,219
Institutional support	98,390	1,967	—	100,357
Operation and maintenance of plant	62,304	6,867	—	69,171
Student grants and scholarships	76,883	9,300	—	86,183
Auxiliary enterprise expenses	28,487	42,921	(667)	70,741
Depreciation and amortization	33,251	2,453	—	35,704
Total operating expenses	<u>662,810</u>	<u>100,963</u>	<u>(667)</u>	<u>763,106</u>
Operating loss	<u>(432,106)</u>	<u>(6,975)</u>	<u>667</u>	<u>(438,414)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	233,775	—	—	233,775
Federal financial aid grants, noncapital	88,004	—	—	88,004
State financial aid grants, noncapital	67,924	—	—	67,924
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7	—	—	7
Other federal nonoperating grants, noncapital	1,508	—	—	1,508
Gifts, noncapital	959	9,981	(402)	10,538
Investment income, net	6,837	4,795	—	11,632
Endowment income, net	—	118	—	118
Interest expense	(12,048)	(2,279)	—	(14,327)
Other nonoperating revenues	21,276	1,646	—	22,922
Net nonoperating income	<u>408,242</u>	<u>14,261</u>	<u>(402)</u>	<u>422,101</u>
Income (loss) before other revenues (expenses)	(23,864)	7,286	265	(16,313)
State appropriations, capital	750	—	—	750
Grants and gifts, capital	1,068	—	(265)	803
Reductions to permanent endowments	—	(266)	—	(266)
Increase (decrease) in net position	<u>(22,046)</u>	<u>7,020</u>	<u>—</u>	<u>(15,026)</u>
Net position:				
Net position at beginning of year	(998,933)	130,305	—	(868,628)
Net position at end of year	<u>\$ (1,020,979)</u>	<u>137,325</u>	<u>—</u>	<u>(883,654)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 173,482
Federal grants and contracts	396
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	5
Payments to suppliers	(111,207)
Payments to employees	(249,498)
Payments for benefits	(123,846)
Payments to students	(76,839)
Collections of student loans	22
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	40,241
Other receipts	17,443
Net cash used in operating activities	<u>(329,801)</u>
Cash flows from noncapital financing activities:	
State appropriations	210,772
Federal financial aid grants	88,137
State financial aid grants	67,924
Nongovernmental and other financial aid grants	7
Other federal nonoperating grants	1,508
Gifts and grants received for other than capital purposes	959
Federal loan program receipts	93,556
Federal loan program disbursements	(93,487)
Monies received on behalf of others	7,004
Monies disbursed on behalf of others	(6,969)
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	223
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	21,883
Net cash provided by noncapital financing activities	<u>391,517</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	750
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	2,136
Proceeds from sale of capital assets	—
Acquisition of capital assets	(14,559)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(11,513)
Interest paid on capital debt and leases	(13,798)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(36,984)</u>

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 740,713
Purchases of investments	(768,937)
Investment income proceeds	3,492
Net cash used in investing activities	<u>(24,732)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	11
Cash and cash equivalents at end of year	<u>\$ 11</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 11
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 11</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (432,106)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,251
Change in assets and liabilities:	
Accounts receivable, net	1,528
Student loans receivable, net	(138)
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,650)
Other assets	(69)
Deferred outflows of resources	127,101
Accounts payable	2,231
Accrued salaries and benefits	684
Accrued compensated absences	650
Unearned revenues	392
Depository accounts	—
Total other postemployment benefits liability	(58,546)
Net pension liability	(94,773)
Other liabilities	601
Deferred inflows of resources	91,043
Net cash used in operating activities	<u>\$ (329,801)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,082
Change in accrued capital asset purchases	1,392
Amortization of net bond premium	1,240
Contributed capital assets	1,068
Amortization of loss on debt refundings	564
Capital assets paid by the Office of the Chancellor	137

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,338
Payments from discretely presented component units for other than salaries	3,667
Payments to discretely presented component units for services, space, and programs	13,260
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	1,475
Accounts receivable from discretely presented component units	1,692
Other amounts receivable from discretely presented component units	1,253
Accounts payable to discretely presented component units	(1,894)
Other amounts payable to discretely presented component units	(110)
Payments to the Office of the Chancellor for administrative activities	298
Payments to the Office of the Chancellor for state pro rata charges	173
Accounts receivable from the Office of the Chancellor	99
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	2,863
Other interagency payments or receipts for services, space, and programs	(45)

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 13	2,469	2,482
Short-term investments	76,510	18,992	95,502
Accounts receivable, net	5,378	12,022	17,400
Capital lease receivable, current portion	—	26	26
Notes receivable, current portion	—	—	—
Pledges receivable, net	2,000	67	2,067
Prepaid expenses and other current assets	1,089	259	1,348
Total current assets	<u>84,990</u>	<u>33,835</u>	<u>118,825</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	912	266	1,178
Capital lease receivable, net of current portion	—	443	443
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,421	—	2,421
Pledges receivable, net	—	53	53
Endowment investments	995	30,294	31,289
Other long-term investments	610	1,269	1,879
Capital assets, net	184,849	3,021	187,870
Other assets	148	25	173
Total noncurrent assets	<u>189,935</u>	<u>35,371</u>	<u>225,306</u>
Total assets	<u>274,925</u>	<u>69,206</u>	<u>344,131</u>
Deferred Outflows of Resources			
Deferred outflows of resources	53,476	1,518	54,994
Liabilities			
Current liabilities:			
Accounts payable	4,457	2,672	7,129
Accrued salaries and benefits	8,664	695	9,359
Accrued compensated absences, current portion	2,133	299	2,432
Unearned revenues	2,193	2,516	4,709
Capital lease obligations, current portion	26	26	52
Long-term debt obligations, current portion	1,730	—	1,730
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	79	2	81
Other liabilities	910	2,261	3,171
Total current liabilities	<u>20,192</u>	<u>8,471</u>	<u>28,663</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,846	89	2,935
Unearned revenues	—	86	86
Grants refundable	3,418	—	3,418
Capital lease obligations, net of current portion	441	443	884
Long-term debt obligations, net of current portion	51,532	—	51,532
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	392,109	—	392,109
Net pension liability	177,552	1,452	179,004
Other liabilities	—	—	—
Total noncurrent liabilities	<u>627,898</u>	<u>2,070</u>	<u>629,968</u>
Total liabilities	<u>648,090</u>	<u>10,541</u>	<u>658,631</u>
Deferred Inflows of Resources			
Deferred inflows of resources	84,128	756	84,884
Net Position			
Net position:			
Net investment in capital assets	137,969	2,547	140,516
Restricted for:			
Nonexpendable – endowments	995	26,506	27,501
Expendable:			
Scholarships and fellowships	2,427	—	2,427
Research	—	—	—
Loans	916	—	916
Capital projects	413	—	413
Debt service	9	—	9
Others	229	7,951	8,180
Unrestricted	(546,775)	22,423	(524,352)
Total net position	<u>\$ (403,817)</u>	<u>59,427</u>	<u>(344,390)</u>

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$28,719)	\$ 33,564	1,767	—	35,331
Grants and contracts, noncapital:				
Federal	386	10,492	—	10,878
State	582	11,589	—	12,171
Local	—	1,071	—	1,071
Nongovernmental	—	4,527	—	4,527
Sales and services of educational activities	449	54	—	503
Sales and services of auxiliary enterprises (net of scholarship allowances of \$11,085)	5,119	13,707	—	18,826
Other operating revenues	13,684	3,414	(2)	17,096
Total operating revenues	53,784	46,621	(2)	100,403
Expenses:				
Operating expenses:				
Instruction	73,097	337	—	73,434
Research	238	14,608	—	14,846
Public service	950	12,935	—	13,885
Academic support	24,702	790	—	25,492
Student services	24,561	2,230	—	26,791
Institutional support	18,613	129	—	18,742
Operation and maintenance of plant	20,799	—	—	20,799
Student grants and scholarships	11,052	654	(654)	11,052
Auxiliary enterprise expenses	11,695	15,517	—	27,212
Depreciation and amortization	9,967	304	—	10,271
Total operating expenses	195,674	47,504	(654)	242,524
Operating loss	(141,890)	(883)	652	(142,121)
Nonoperating revenues (expenses):				
State appropriations, noncapital	99,118	—	—	99,118
Federal financial aid grants, noncapital	21,404	—	—	21,404
State financial aid grants, noncapital	14,465	—	—	14,465
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	29	—	—	29
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	1,347	1,505	(1,140)	1,712
Investment income, net	2,069	633	—	2,702
Endowment income, net	7	1,148	—	1,155
Interest expense	(2,028)	(14)	—	(2,042)
Other nonoperating revenues (expenses)	10,240	(1,874)	1,227	9,593
Net nonoperating income	146,651	1,398	87	148,136
Income before other revenues	4,761	515	739	6,015
State appropriations, capital	89	—	—	89
Grants and gifts, capital	6,390	30	(739)	5,681
Additions to permanent endowments	—	1,208	—	1,208
Increase in net position	11,240	1,753	—	12,993
Net position:				
Net position at beginning of year	(415,057)	57,674	—	(357,383)
Net position at end of year	\$ (403,817)	59,427	—	(344,390)

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 33,134
Federal grants and contracts	370
State grants and contracts	622
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(31,410)
Payments to employees	(81,579)
Payments for benefits	(42,873)
Payments to students	(11,073)
Collections of student loans	193
Sales and services of educational activities	449
Sales and services of auxiliary enterprises	5,203
Other receipts	13,839
Net cash used in operating activities	<u>(113,125)</u>
Cash flows from noncapital financing activities:	
State appropriations	90,714
Federal financial aid grants	21,404
State financial aid grants	14,465
Nongovernmental and other financial aid grants	29
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	1,347
Federal loan program receipts	32,326
Federal loan program disbursements	(32,050)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(40)
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	10,185
Net cash provided by noncapital financing activities	<u>138,380</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	89
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	6,390
Proceeds from sale of capital assets	4,157
Acquisition of capital assets	(19,400)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,943)
Interest paid on capital debt and leases	(2,150)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(12,857)</u>

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 222,845
Purchases of investments	(236,282)
Investment income proceeds	1,040
Net cash used in investing activities	<u>(12,397)</u>
Net increase in cash and cash equivalents	1
Cash and cash equivalents at beginning of year	12
Cash and cash equivalents at end of year	<u>\$ 13</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 13
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 13</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (141,890)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,967
Change in assets and liabilities:	
Accounts receivable, net	748
Student loans receivable, net	(16)
Pledges receivable, net	—
Prepaid expenses and other current assets	(136)
Other assets	(62)
Deferred outflows of resources	38,889
Accounts payable	387
Accrued salaries and benefits	(442)
Accrued compensated absences	501
Unearned revenues	(626)
Depository accounts	—
Total other postemployment benefits liability	(28,405)
Net pension liability	(31,228)
Other liabilities	(34)
Deferred inflows of resources	39,222
Net cash used in operating activities	<u>\$ (113,125)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 7,688
Change in accrued capital asset purchases	541
Assignment of Perkins Loans to Government	797
Amortization of net bond premium	354
Amortization of loss on debt refundings	246
Capital assets paid by the Office of the Chancellor	52

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,717
Payments from discretely presented component units for other than salaries	4,792
Payments to discretely presented component units for services, space, and programs	10,594
Gifts in kind from discretely presented component units	175
Gifts (cash or assets) from discretely presented component units	1,805
Accounts receivable from discretely presented component units	149
Other amounts receivable from discretely presented component units	2,043
Accounts payable to discretely presented component units	(73)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	86
Payments to the Office of the Chancellor for state pro rata charges	42
Accounts receivable from the Office of the Chancellor	2,480
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	904
Other interagency payments or receipts for services, space, and programs	(48)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 20	9,179	9,199
Short-term investments	207,261	58,857	266,118
Accounts receivable, net	8,458	10,352	18,810
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	7,481	7,481
Prepaid expenses and other current assets	4,047	2,962	7,009
Total current assets	<u>219,786</u>	<u>88,831</u>	<u>308,617</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	5,304	16,382	21,686
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	5,488	—	5,488
Pledges receivable, net	—	5,163	5,163
Endowment investments	—	79,352	79,352
Other long-term investments	11,287	16,980	28,267
Capital assets, net	507,702	54,099	561,801
Other assets	502	—	502
Total noncurrent assets	<u>530,283</u>	<u>171,976</u>	<u>702,259</u>
Total assets	<u>750,069</u>	<u>260,807</u>	<u>1,010,876</u>
Deferred Outflows of Resources			
Deferred outflows of resources	177,097	2,641	179,738
Liabilities			
Current liabilities:			
Accounts payable	11,820	4,336	16,156
Accrued salaries and benefits	34,755	2,456	37,211
Accrued compensated absences, current portion	8,854	3,252	12,106
Unearned revenues	34,967	3,795	38,762
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	3,860	1,175	5,035
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	403	1,191	1,594
Other liabilities	3,399	1,968	5,367
Total current liabilities	<u>98,058</u>	<u>18,173</u>	<u>116,231</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,644	—	6,644
Unearned revenues	180	—	180
Grants refundable	6,684	—	6,684
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	117,742	29,537	147,279
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	937,595	20,665	958,260
Net pension liability	565,341	8,419	573,760
Other liabilities	—	7,406	7,406
Total noncurrent liabilities	<u>1,634,186</u>	<u>66,027</u>	<u>1,700,213</u>
Total liabilities	<u>1,732,244</u>	<u>84,200</u>	<u>1,816,444</u>
Deferred Inflows of Resources			
Deferred inflows of resources	206,862	13,306	220,168
Net Position			
Net position:			
Net investment in capital assets	395,022	23,386	418,408
Restricted for:			
Nonexpendable – endowments	—	67,940	67,940
Expendable:			
Scholarships and fellowships	55	4,851	4,906
Research	—	4,092	4,092
Loans	381	—	381
Capital projects	4,367	695	5,062
Debt service	31	—	31
Others	—	50,626	50,626
Unrestricted	(1,411,796)	14,352	(1,397,444)
Total net position	<u>\$ (1,011,940)</u>	<u>165,942</u>	<u>(845,998)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$131,937)	\$ 146,719	13,159	—	159,878
Grants and contracts, noncapital:				
Federal	—	24,837	—	24,837
State	—	6,815	—	6,815
Local	—	1,963	—	1,963
Nongovernmental	—	3,704	—	3,704
Sales and services of educational activities	4,108	989	—	5,097
Sales and services of auxiliary enterprises (net of scholarship allowances of \$10,981)	23,533	44,432	—	67,965
Other operating revenues	17,832	7,450	(743)	24,539
Total operating revenues	192,192	103,349	(743)	294,798
Expenses:				
Operating expenses:				
Instruction	270,432	7,713	—	278,145
Research	4,787	13,858	—	18,645
Public service	3,996	4,346	—	8,342
Academic support	61,995	7,403	—	69,398
Student services	69,364	19,049	(270)	88,143
Institutional support	61,723	9,329	(1,558)	69,494
Operation and maintenance of plant	68,549	722	—	69,271
Student grants and scholarships	70,747	9,223	(7,927)	72,043
Auxiliary enterprise expenses	26,175	37,068	(577)	62,666
Depreciation and amortization	32,656	2,562	—	35,218
Total operating expenses	670,424	111,273	(10,332)	771,365
Operating loss	(478,232)	(7,924)	9,589	(476,567)
Nonoperating revenues (expenses):				
State appropriations, noncapital	252,109	—	—	252,109
Federal financial aid grants, noncapital	85,264	—	—	85,264
State financial aid grants, noncapital	62,550	—	—	62,550
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7,695	—	(7,695)	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	344	16,288	(335)	16,297
Investment income, net	6,534	2,408	—	8,942
Endowment income, net	—	3,911	—	3,911
Interest expense	(4,580)	(1,185)	—	(5,765)
Other nonoperating revenues	33,562	776	—	34,338
Net nonoperating income	443,478	22,198	(8,030)	457,646
Income (loss) before other revenues	(34,754)	14,274	1,559	(18,921)
State appropriations, capital	4,152	—	—	4,152
Grants and gifts, capital	1,713	—	(1,559)	154
Additions to permanent endowments	—	2,114	—	2,114
Increase (decrease) in net position	(28,889)	16,388	—	(12,501)
Net position:				
Net position at beginning of year	(983,051)	149,554	—	(833,497)
Net position at end of year	\$ (1,011,940)	165,942	—	(845,998)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 146,552
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(101,162)
Payments to employees	(266,287)
Payments for benefits	(133,960)
Payments to students	(70,882)
Collections of student loans	25
Sales and services of educational activities	4,108
Sales and services of auxiliary enterprises	22,371
Other receipts	18,977
Net cash used in operating activities	<u>(380,258)</u>
Cash flows from noncapital financing activities:	
State appropriations	229,214
Federal financial aid grants	85,305
State financial aid grants	62,550
Nongovernmental and other financial aid grants	7,710
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	422
Federal loan program receipts	100,997
Federal loan program disbursements	(99,822)
Monies received on behalf of others	8,961
Monies disbursed on behalf of others	(8,963)
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	39,565
Net cash provided by noncapital financing activities	<u>425,939</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	1,702
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,090
Proceeds from sale of capital assets	31
Acquisition of capital assets	(50,402)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,660)
Interest paid on capital debt and leases	(6,806)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(58,045)</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 803,500
Purchases of investments	(795,132)
Investment income proceeds	3,416
Net cash provided by investing activities	<u>11,784</u>
Net decrease in cash and cash equivalents	(580)
Cash and cash equivalents at beginning of year	600
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	\$ (478,232)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	32,656
Change in assets and liabilities:	
Accounts receivable, net	(1,204)
Student loans receivable, net	(100)
Pledges receivable, net	—
Prepaid expenses and other current assets	818
Other assets	(221)
Deferred outflows of resources	121,894
Accounts payable	(2,606)
Accrued salaries and benefits	2,082
Accrued compensated absences	794
Unearned revenues	(29)
Depository accounts	—
Total other postemployment benefits liability	(64,114)
Net pension liability	(90,949)
Other liabilities	533
Deferred inflows of resources	98,420
Net cash used in operating activities	<u>\$ (380,258)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 24,424
Change in accrued capital asset purchases	2,819
Amortization of net bond premium	931
Contributed capital assets	622
Amortization of loss on debt refundings	496
Capital assets paid by the Office of the Chancellor	117
Other assets paid through long-term debt	72
Capital assets transferred from the Office of the Chancellor	14

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,412
Payments from discretely presented component units for other than salaries	21,098
Payments to discretely presented component units for services, space, and programs	8,242
Gifts in kind from discretely presented component units	756
Gifts (cash or assets) from discretely presented component units	9,132
Accounts receivable from discretely presented component units	3,507
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(691)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	314
Payments to the Office of the Chancellor for state pro rata charges	150
Accounts receivable from the Office of the Chancellor	2,295
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	2,803
Other interagency payments or receipts for services, space, and programs	(1,145)

See accompanying independent auditors' report.



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

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CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 9	8,578	8,587
Short-term investments	198,073	12,703	210,776
Accounts receivable, net	18,371	9,672	28,043
Capital lease receivable, current portion	950	—	950
Notes receivable, current portion	—	21	21
Pledges receivable, net	—	1,517	1,517
Prepaid expenses and other current assets	745	117	862
Total current assets	<u>218,148</u>	<u>32,608</u>	<u>250,756</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	6,836	6,836
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	16,810	—	16,810
Notes receivable, net of current portion	—	85	85
Student loans receivable, net	770	—	770
Pledges receivable, net	—	5,866	5,866
Endowment investments	—	37,166	37,166
Other long-term investments	219,372	4,390	223,762
Capital assets, net	344,807	32,474	377,281
Other assets	307	85	392
Total noncurrent assets	<u>582,066</u>	<u>86,902</u>	<u>668,968</u>
Total assets	<u>800,214</u>	<u>119,510</u>	<u>919,724</u>
Deferred Outflows of Resources			
Deferred outflows of resources	125,805	341	126,146
Liabilities			
Current liabilities:			
Accounts payable	25,317	3,411	28,728
Accrued salaries and benefits	23,108	1,325	24,433
Accrued compensated absences, current portion	5,230	476	5,706
Unearned revenues	23,196	4,933	28,129
Capital lease obligations, current portion	—	950	950
Long-term debt obligations, current portion	2,550	201	2,751
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	153	—	153
Other liabilities	3,649	1,624	5,273
Total current liabilities	<u>83,203</u>	<u>12,920</u>	<u>96,123</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,643	65	5,708
Unearned revenues	—	—	—
Grants refundable	467	—	467
Capital lease obligations, net of current portion	—	18,596	18,596
Long-term debt obligations, net of current portion	333,229	6,003	339,232
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	33	—	33
Total other postemployment benefits liability	616,839	1,531	618,370
Net pension liability	371,052	—	371,052
Other liabilities	—	—	0
Total noncurrent liabilities	<u>1,327,263</u>	<u>26,195</u>	<u>1,353,458</u>
Total liabilities	<u>1,410,466</u>	<u>39,115</u>	<u>1,449,581</u>
Deferred Inflows of Resources			
Deferred inflows of resources	136,023	1,512	137,535
Net Position			
Net position:			
Net investment in capital assets	212,362	6,131	218,493
Restricted for:			
Nonexpendable – endowments	—	36,560	36,560
Expendable:			
Scholarships and fellowships	1,311	20,459	21,770
Research	—	—	—
Loans	726	—	726
Capital projects	1,593	—	1,593
Debt service	18,640	—	18,640
Others	2,217	—	2,217
Unrestricted	(857,319)	16,074	(841,245)
Total net position	<u>\$ (620,470)</u>	<u>79,224</u>	<u>(541,246)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$119,811)	\$ 81,278	6,624	—	87,902
Grants and contracts, noncapital:				
Federal	—	26,518	—	26,518
State	—	1,456	—	1,456
Local	—	1,868	—	1,868
Nongovernmental	—	2,153	—	2,153
Sales and services of educational activities	34	5,281	—	5,315
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,374)	17,076	5,218	—	22,294
Other operating revenues	13,472	833	—	14,305
Total operating revenues	111,860	49,951	—	161,811
Expenses:				
Operating expenses:				
Instruction	201,748	12,802	—	214,550
Research	5,088	—	—	5,088
Public service	2,421	1,615	—	4,036
Academic support	56,133	5,694	—	61,827
Student services	30,650	6,757	—	37,407
Institutional support	45,944	5,031	—	50,975
Operation and maintenance of plant	32,066	2,160	—	34,226
Student grants and scholarships	79,488	7,371	—	86,859
Auxiliary enterprise expenses	13,301	4,671	—	17,972
Depreciation and amortization	17,107	1,570	—	18,677
Total operating expenses	483,946	47,671	—	531,617
Operating income (loss)	(372,086)	2,280	—	(369,806)
Nonoperating revenues (expenses):				
State appropriations, noncapital	183,565	—	—	183,565
Federal financial aid grants, noncapital	86,432	—	—	86,432
State financial aid grants, noncapital	59,121	—	—	59,121
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	55	—	—	55
Other federal nonoperating grants, noncapital	110	—	—	110
Gifts, noncapital	28	1,994	—	2,022
Investment income, net	11,148	585	—	11,733
Endowment income, net	—	2,363	—	2,363
Interest expense	(13,357)	(848)	—	(14,205)
Other nonoperating revenues (expenses)	22,690	(2,436)	1,276	21,530
Net nonoperating income	349,792	1,658	1,276	352,726
Income (loss) before other revenues	(22,294)	3,938	1,276	(17,080)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,489	153	(1,276)	366
Additions to permanent endowments	—	2,188	—	2,188
Increase (decrease) in net position	(20,805)	6,279	—	(14,526)
Net position:				
Net position at beginning of year	(599,665)	72,945	—	(526,720)
Net position at end of year	\$ (620,470)	79,224	—	(541,246)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 77,906
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(53,394)
Payments to employees	(176,454)
Payments for benefits	(85,103)
Payments to students	(79,748)
Collections of student loans	136
Sales and services of educational activities	34
Sales and services of auxiliary enterprises	16,339
Other receipts	11,820
	<u>(288,464)</u>
Net cash used in operating activities	(288,464)
Cash flows from noncapital financing activities:	
State appropriations	167,939
Federal financial aid grants	86,616
State financial aid grants	59,121
Nongovernmental and other financial aid grants	55
Other federal nonoperating grants	110
Gifts and grants received for other than capital purposes	28
Federal loan program receipts	68,451
Federal loan program disbursements	(68,334)
Monies received on behalf of others	4,071
Monies disbursed on behalf of others	(7,111)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(910)
Interest paid on long-term debt	(773)
Issuance of notes receivable	—
Principal collections on capital leases	910
Interest collections on capital leases	17
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	17,505
	<u>327,695</u>
Net cash provided by noncapital financing activities	327,695
Cash flows from capital and related financing activities:	
Proceeds from capital debt	278,604
State appropriations	2,391
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,289
Proceeds from sale of capital assets	—
Acquisition of capital assets	(90,141)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(13,442)
Interest paid on capital debt and leases	(12,885)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>165,816</u>
Net cash provided by capital and related financing activities	165,816

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 672,019
Purchases of investments	(885,493)
Investment income proceeds	8,426
Net cash used in investing activities	<u>(205,048)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	10
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	\$ (372,086)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,107
Change in assets and liabilities:	
Accounts receivable, net	(4,527)
Student loans receivable, net	(124)
Pledges receivable, net	—
Prepaid expenses and other current assets	(185)
Other assets	(49)
Deferred outflows of resources	78,481
Accounts payable	6,635
Accrued salaries and benefits	1,175
Accrued compensated absences	793
Unearned revenues	522
Depository accounts	—
Total other postemployment benefits liability	(32,301)
Net pension liability	(49,806)
Other liabilities	118
Deferred inflows of resources	65,783
Net cash used in operating activities	<u>\$ (288,464)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 15,627
Change in accrued capital asset purchases	7,764
Amortization of net bond premium	928
Contributed capital assets	200
Amortization of loss on debt refundings	109
Capital assets paid by the Office of the Chancellor	47

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,766
Payments from discretely presented component units for other than salaries	12,916
Payments to discretely presented component units for services, space, and programs	4,855
Gifts in kind from discretely presented component units	1,497
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	840
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(890)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	2,186
Payments to the Office of the Chancellor for state pro rata charges	79
Accounts receivable from the Office of the Chancellor	7,324
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	2,650
Other interagency payments or receipts for services, space, and programs	(318)

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 80	1,808	1,888
Short-term investments	26,262	934	27,196
Accounts receivable, net	1,203	139	1,342
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	203	203
Prepaid expenses and other current assets	714	—	714
Total current assets	<u>28,259</u>	<u>3,084</u>	<u>31,343</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	893	893
Accounts receivable, net	116	—	116
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	964	—	964
Pledges receivable, net	—	65	65
Endowment investments	—	8,354	8,354
Other long-term investments	494	—	494
Capital assets, net	116,222	2,042	118,264
Other assets	12	—	12
Total noncurrent assets	<u>117,808</u>	<u>11,354</u>	<u>129,162</u>
Total assets	<u>146,067</u>	<u>14,438</u>	<u>160,505</u>
Deferred Outflows of Resources			
Deferred outflows of resources	19,083	—	19,083
Liabilities			
Current liabilities:			
Accounts payable	2,218	198	2,416
Accrued salaries and benefits	1,723	—	1,723
Accrued compensated absences, current portion	871	—	871
Unearned revenues	1,347	—	1,347
Capital lease obligations, current portion	212	—	212
Long-term debt obligations, current portion	725	2	727
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	110	—	110
Other liabilities	450	40	490
Total current liabilities	<u>7,656</u>	<u>240</u>	<u>7,896</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,418	—	1,418
Unearned revenues	—	—	—
Grants refundable	1,410	—	1,410
Capital lease obligations, net of current portion	421	—	421
Long-term debt obligations, net of current portion	35,253	17	35,270
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	84,357	—	84,357
Net pension liability	56,453	—	56,453
Other liabilities	—	—	—
Total noncurrent liabilities	<u>179,312</u>	<u>17</u>	<u>179,329</u>
Total liabilities	<u>186,968</u>	<u>257</u>	<u>187,225</u>
Deferred Inflows of Resources			
Deferred inflows of resources	18,770	—	18,770
Net Position			
Net position:			
Net investment in capital assets	81,629	2,042	83,671
Restricted for:			
Nonexpendable – endowments	—	9,284	9,284
Expendable:			
Scholarships and fellowships	3	—	3
Research	—	—	—
Loans	14	—	14
Capital projects	117	—	117
Debt service	5	—	5
Others	3,517	1,498	5,015
Unrestricted	(125,873)	1,357	(124,516)
Total net position	<u>\$ (40,588)</u>	<u>14,181</u>	<u>(26,407)</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$2,546)	\$ 9,425	206	—	9,631
Grants and contracts, noncapital:				
Federal	1,013	—	—	1,013
State	175	—	—	175
Local	—	—	—	—
Nongovernmental	4,402	—	—	4,402
Sales and services of educational activities	15	—	—	15
Sales and services of auxiliary enterprises (net of scholarship allowances of \$532)	12,466	—	—	12,466
Other operating revenues	539	2,926	—	3,465
Total operating revenues	28,035	3,132	—	31,167
Expenses:				
Operating expenses:				
Instruction	21,499	—	—	21,499
Research	5,356	—	—	5,356
Public service	34	—	—	34
Academic support	3,615	—	—	3,615
Student services	10,971	235	—	11,206
Institutional support	10,754	—	—	10,754
Operation and maintenance of plant	9,296	—	—	9,296
Student grants and scholarships	1,452	437	—	1,889
Auxiliary enterprise expenses	11,625	1,296	—	12,921
Depreciation and amortization	6,052	1,199	—	7,251
Total operating expenses	80,654	3,167	—	83,821
Operating loss	(52,619)	(35)	—	(52,654)
Nonoperating revenues (expenses):				
State appropriations, noncapital	39,329	—	—	39,329
Federal financial aid grants, noncapital	1,582	—	—	1,582
State financial aid grants, noncapital	926	—	—	926
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	437	—	—	437
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	152	—	—	152
Investment income, net	670	142	—	812
Endowment income, net	—	199	—	199
Interest expense	(1,426)	—	—	(1,426)
Other nonoperating revenues (expenses)	8,794	(343)	—	8,451
Net nonoperating income (loss)	50,464	(2)	—	50,462
Loss before other revenues	(2,155)	(37)	—	(2,192)
State appropriations, capital	(77)	—	—	(77)
Grants and gifts, capital	—	—	—	—
Additions (reductions) to permanent endowments	—	—	—	—
Decrease in net position	(2,232)	(37)	—	(2,269)
Net position:				
Net position at beginning of year	(38,356)	14,218	—	(24,138)
Net position at end of year	\$ (40,588)	14,181	—	(26,407)

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 9,247
Federal grants and contracts	1,169
State grants and contracts	100
Local grants and contracts	—
Nongovernmental grants and contracts	5,254
Payments to suppliers	(20,076)
Payments to employees	(27,425)
Payments for benefits	(14,211)
Payments to students	(1,552)
Collections of student loans	—
Sales and services of educational activities	15
Sales and services of auxiliary enterprises	12,609
Other receipts	514
Net cash used in operating activities	<u>(34,356)</u>
Cash flows from noncapital financing activities:	
State appropriations	36,936
Federal financial aid grants	1,582
State financial aid grants	926
Nongovernmental and other financial aid grants	454
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	152
Federal loan program receipts	6,450
Federal loan program disbursements	(6,148)
Monies received on behalf of others	1,041
Monies disbursed on behalf of others	(1,091)
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	5,451
Net cash provided by noncapital financing activities	<u>45,753</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	8,263
State appropriations	197
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	2,268
Acquisition of capital assets	(7,697)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(9,011)
Interest paid on capital debt and leases	(1,547)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(7,527)</u>

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 78,821
Purchases of investments	(83,130)
Investment income proceeds	301
Net cash used in investing activities	(4,008)
Net decrease in cash and cash equivalents	(138)
Cash and cash equivalents at beginning of year	218
Cash and cash equivalents at end of year	<u>\$ 80</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 80
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 80</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (52,619)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	6,052
Change in assets and liabilities:	
Accounts receivable, net	717
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other current assets	1,126
Other assets	—
Deferred outflows of resources	12,789
Accounts payable	(694)
Accrued salaries and benefits	130
Accrued compensated absences	268
Unearned revenues	95
Depository accounts	—
Total other postemployment benefits liability	(2,314)
Net pension liability	(9,170)
Other liabilities	(25)
Deferred inflows of resources	9,289
Net cash used in operating activities	<u>\$ (34,356)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 2,392
Construction work in process acquired from the Office of the Chancellor	2,688
Capital assets paid by the Office of the Chancellor	654
Amortization of net bond premium	189
Amortization of loss on debt refundings	68

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2019

(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	131
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	47
Gifts (cash or assets) from discretely presented component units	595
Accounts receivable from discretely presented component units	172
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	22
Payments to the Office of the Chancellor for state pro rata charges	14
Accounts receivable from the Office of the Chancellor	181
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	227
Other interagency payments or receipts for services, space, and programs	(66)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	7,771	7,777
Short-term investments	56,637	1,468	58,105
Accounts receivable, net	9,257	9,997	19,254
Capital lease receivable, current portion	2,345	—	2,345
Notes receivable, current portion	—	637	637
Pledges receivable, net	—	786	786
Prepaid expenses and other current assets	2,190	1,651	3,841
Total current assets	<u>70,435</u>	<u>22,310</u>	<u>92,745</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	668	668
Accounts receivable, net	210	48	258
Capital lease receivable, net of current portion	44,985	—	44,985
Notes receivable, net of current portion	—	2,991	2,991
Student loans receivable, net	78	—	78
Pledges receivable, net	—	164	164
Endowment investments	—	26,455	26,455
Other long-term investments	42,475	51,245	93,720
Capital assets, net	288,499	125,984	414,483
Other assets	100	40	140
Total noncurrent assets	<u>376,347</u>	<u>207,595</u>	<u>583,942</u>
Total assets	<u>446,782</u>	<u>229,905</u>	<u>676,687</u>
Deferred Outflows of Resources			
Deferred outflows of resources	48,054	1,403	49,457
Liabilities			
Current liabilities:			
Accounts payable	15,826	4,602	20,428
Accrued salaries and benefits	6,910	722	7,632
Accrued compensated absences, current portion	3,115	471	3,586
Unearned revenues	2,422	3,235	5,657
Capital lease obligations, current portion	348	2,345	2,693
Long-term debt obligations, current portion	2,982	995	3,977
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	3	—	3
Other liabilities	1,373	54	1,427
Total current liabilities	<u>32,979</u>	<u>12,424</u>	<u>45,403</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,695	—	1,695
Unearned revenues	—	—	—
Grants refundable	1	—	1
Capital lease obligations, net of current portion	718	49,682	50,400
Long-term debt obligations, net of current portion	98,524	66,453	164,977
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	329	329
Total other postemployment benefits liability	218,228	—	218,228
Net pension liability	153,753	—	153,753
Other liabilities	3	—	3
Total noncurrent liabilities	<u>472,922</u>	<u>116,464</u>	<u>589,386</u>
Total liabilities	<u>505,901</u>	<u>128,888</u>	<u>634,789</u>
Deferred Inflows of Resources			
Deferred inflows of resources	48,950	—	48,950
Net Position			
Net position:			
Net investment in capital assets	256,695	7,911	264,606
Restricted for:			
Nonexpendable – endowments	—	14,291	14,291
Expendable:			
Scholarships and fellowships	690	7,311	8,001
Research	—	271	271
Loans	104	—	104
Capital projects	1,356	—	1,356
Debt service	1,170	—	1,170
Others	4	13,289	13,293
Unrestricted	(320,034)	59,347	(260,687)
Total net position	<u>\$ (60,015)</u>	<u>102,420</u>	<u>42,405</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$26,137)	\$ 39,301	513	—	39,814
Grants and contracts, noncapital:				
Federal	—	13,564	—	13,564
State	—	1,887	—	1,887
Local	—	499	—	499
Nongovernmental	—	2,811	—	2,811
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	1,817	41,883	—	43,700
Other operating revenues	8,016	1,084	—	9,100
Total operating revenues	<u>49,134</u>	<u>62,241</u>	<u>—</u>	<u>111,375</u>
Expenses:				
Operating expenses:				
Instruction	52,369	113	—	52,482
Research	1,443	5,151	—	6,594
Public service	1,308	4,345	—	5,653
Academic support	21,982	3,171	—	25,153
Student services	33,309	6,362	—	39,671
Institutional support	28,072	4,216	(125)	32,163
Operation and maintenance of plant	28,077	—	—	28,077
Student grants and scholarships	15,423	3,318	(113)	18,628
Auxiliary enterprise expenses	470	21,608	(742)	21,336
Depreciation and amortization	16,291	7,556	—	23,847
Total operating expenses	<u>198,744</u>	<u>55,840</u>	<u>(980)</u>	<u>253,604</u>
Operating income (loss)	<u>(149,610)</u>	<u>6,401</u>	<u>980</u>	<u>(142,229)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	89,547	—	—	89,547
Federal financial aid grants, noncapital	16,420	—	—	16,420
State financial aid grants, noncapital	11,831	—	—	11,831
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	2,106	5,875	(979)	7,002
Investment income, net	4,055	1,750	—	5,805
Endowment income, net	—	1,127	—	1,127
Interest expense	(2,290)	(4,522)	—	(6,812)
Other nonoperating revenues	27,124	1,650	—	28,774
Net nonoperating income	<u>148,793</u>	<u>5,880</u>	<u>(979)</u>	<u>153,694</u>
Income (loss) before other revenues	(817)	12,281	1	11,465
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,499	(1,488)	(1)	10
Additions to permanent endowments	—	240	—	240
Increase in net position	682	11,033	—	11,715
Net position:				
Net position at beginning of year	(60,697)	91,387	—	30,690
Net position at end of year	<u>\$ (60,015)</u>	<u>102,420</u>	<u>—</u>	<u>42,405</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 37,175
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(31,118)
Payments to employees	(71,956)
Payments for benefits	(36,711)
Payments to students	(15,439)
Collections of student loans	1
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	1,817
Other receipts	6,792
Net cash used in operating activities	<u>(109,439)</u>
Cash flows from noncapital financing activities:	
State appropriations	82,948
Federal financial aid grants	16,420
State financial aid grants	11,831
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	2,106
Federal loan program receipts	24,217
Federal loan program disbursements	(24,325)
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	(2,255)
Interest paid on long-term debt	(2,238)
Issuance of notes receivable	—
Principal collections on capital leases	2,255
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	28,117
Net cash provided by noncapital financing activities	<u>139,076</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	504
State appropriations – SPWB Lease Revenue Bond program	94
Capital grants and gifts	—
Proceeds from sale of capital assets	62
Acquisition of capital assets	(37,145)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(716)
Interest paid on capital debt and leases	(3,349)
Principal collection on capital leases	—
Interest collection on capital leases	2,237
Net cash used in capital and related financing activities	<u>(38,313)</u>

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 229,665
Purchases of investments	(222,795)
Investment income proceeds	1,806
Net cash provided by investing activities	<u>8,676</u>
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	\$ (149,610)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,291
Change in assets and liabilities:	
Accounts receivable, net	(2,738)
Student loans receivable, net	3
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,261)
Other assets	65
Deferred outflows of resources	38,462
Accounts payable	1,285
Accrued salaries and benefits	444
Accrued compensated absences	457
Unearned revenues	33
Depository accounts	—
Total other postemployment benefits liability	(10,041)
Net pension liability	(25,866)
Other liabilities	(898)
Deferred inflows of resources	23,935
Net cash used in operating activities	<u>\$ (109,439)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 6,599
Change in accrued capital asset purchases	8,101
Contributed capital assets	1,499
Amortization of bond premium	235
Capital assets paid by the Office of the Chancellor	47

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

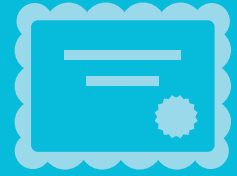
Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,879
Payments from discretely presented component units for other than salaries	7,887
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	865
Gifts (cash or assets) from discretely presented component units	5,472
Accounts receivable from discretely presented component units	1,583
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(848)
Other amounts payable to discretely presented component units	(3,628)
Payments to the Office of the Chancellor for administrative activities	280
Payments to the Office of the Chancellor for state pro rata charges	45
Accounts receivable from the Office of the Chancellor	5,517
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	33
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	688
Other interagency payments or receipts for services, space, and programs	(41)

See accompanying independent auditors' report.



126,000
degrees
conferred annually



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 13	15,053	15,066
Short-term investments	281,413	71,863	353,276
Accounts receivable, net	8,008	10,592	18,600
Capital lease receivable, current portion	415	—	415
Notes receivable, current portion	—	29	29
Pledges receivable, net	—	22,029	22,029
Prepaid expenses and other current assets	3,978	950	4,928
Total current assets	<u>293,827</u>	<u>120,516</u>	<u>414,343</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	778	778
Accounts receivable, net	2,530	1,961	4,491
Capital lease receivable, net of current portion	5,690	—	5,690
Notes receivable, net of current portion	—	41	41
Student loans receivable, net	1,605	—	1,605
Pledges receivable, net	—	—	—
Endowment investments	—	112,565	112,565
Other long-term investments	28,550	17,658	46,208
Capital assets, net	499,764	29,204	528,968
Other assets	453	3,787	4,240
Total noncurrent assets	<u>538,592</u>	<u>165,994</u>	<u>704,586</u>
Total assets	<u>832,419</u>	<u>286,510</u>	<u>1,118,929</u>
Deferred Outflows of Resources			
Deferred outflows of resources	161,534	—	161,534
Liabilities			
Current liabilities:			
Accounts payable	16,323	3,305	19,628
Accrued salaries and benefits	29,009	3,162	32,171
Accrued compensated absences, current portion	9,485	851	10,336
Unearned revenues	28,700	3,282	31,982
Capital lease obligations, current portion	—	415	415
Long-term debt obligations, current portion	6,588	513	7,101
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	148	2,785	2,933
Other liabilities	2,795	107	2,902
Total current liabilities	<u>93,048</u>	<u>14,420</u>	<u>107,468</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,638	256	6,894
Unearned revenues	—	—	—
Grants refundable	1,947	—	1,947
Capital lease obligations, net of current portion	—	6,371	6,371
Long-term debt obligations, net of current portion	157,270	4,539	161,809
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	899,084	7,320	906,404
Net pension liability	541,936	—	541,936
Other liabilities	—	—	—
Total noncurrent liabilities	<u>1,606,875</u>	<u>18,486</u>	<u>1,625,361</u>
Total liabilities	<u>1,699,923</u>	<u>32,906</u>	<u>1,732,829</u>
Deferred Inflows of Resources			
Deferred inflows of resources	198,356	—	198,356
Net Position			
Net position:			
Net investment in capital assets	345,028	17,366	362,394
Restricted for:			
Nonexpendable – endowments	—	90,461	90,461
Expendable:			
Scholarships and fellowships	685	23,380	24,065
Research	—	—	—
Loans	977	1,184	2,161
Capital projects	20,692	3,671	24,363
Debt service	1,282	—	1,282
Others	—	49,530	49,530
Unrestricted	(1,272,990)	68,012	(1,204,978)
Total net position	<u>\$ (904,326)</u>	<u>253,604</u>	<u>(650,722)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$154,579)	\$ 148,917	22,053	—	170,970
Grants and contracts, noncapital:				
Federal	—	28,470	—	28,470
State	—	2,428	—	2,428
Local	—	1,636	—	1,636
Nongovernmental	—	2,149	—	2,149
Sales and services of educational activities	1,698	—	—	1,698
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,118)	31,124	22,491	—	53,615
Other operating revenues	20,494	4,852	—	25,346
Total operating revenues	202,233	84,079	—	286,312
Expenses:				
Operating expenses:				
Instruction	266,279	—	—	266,279
Research	5,894	30,357	—	36,251
Public service	2,239	1,646	—	3,885
Academic support	72,400	4,537	(50)	76,887
Student services	95,531	26,616	—	122,147
Institutional support	56,276	3,397	(679)	58,994
Operation and maintenance of plant	58,634	1,058	—	59,692
Student grants and scholarships	92,459	2,934	—	95,393
Auxiliary enterprise expenses	22,892	22,274	—	45,166
Depreciation and amortization	33,457	2,728	—	36,185
Total operating expenses	706,061	95,547	(729)	800,879
Operating loss	(503,828)	(11,468)	729	(514,567)
Nonoperating revenues (expenses):				
State appropriations, noncapital	249,028	—	—	249,028
Federal financial aid grants, noncapital	103,261	—	—	103,261
State financial aid grants, noncapital	75,128	—	—	75,128
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,299	—	—	3,299
Other federal nonoperating grants, noncapital	657	—	—	657
Gifts, noncapital	455	9,221	—	9,676
Investment income, net	8,795	3,479	—	12,274
Endowment income, net	—	7,412	—	7,412
Interest expense	(6,847)	(367)	—	(7,214)
Other nonoperating revenues	7,642	1,552	—	9,194
Net nonoperating income	441,418	21,297	—	462,715
Income (loss) before other revenues	(62,410)	9,829	729	(51,852)
State appropriations, capital	1,700	—	—	1,700
Grants and gifts, capital	729	—	(729)	—
Additions to permanent endowments	—	5,801	—	5,801
Increase (decrease) in net position	(59,981)	15,630	—	(44,351)
Net position:				
Net position at beginning of year	(844,345)	237,974	—	(606,371)
Net position at end of year	<u>\$ (904,326)</u>	<u>253,604</u>	<u>—</u>	<u>(650,722)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 151,693
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(113,245)
Payments to employees	(262,273)
Payments for benefits	(128,388)
Payments to students	(92,403)
Collections of student loans	—
Sales and services of educational activities	1,698
Sales and services of auxiliary enterprises	31,322
Other receipts	19,501
Net cash used in operating activities	<u>(392,095)</u>
Cash flows from noncapital financing activities:	
State appropriations	225,949
Federal financial aid grants	103,261
State financial aid grants	75,128
Nongovernmental and other financial aid grants	3,299
Other federal nonoperating grants	657
Gifts and grants received for other than capital purposes	455
Federal loan program receipts	105,056
Federal loan program disbursements	(104,866)
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	(400)
Interest paid on long-term debt	(1,211)
Issuance of notes receivable	—
Principal collections on capital leases	400
Interest collections on capital leases	51
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	7,744
Net cash provided by noncapital financing activities	<u>415,523</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	31,547
State appropriations	500
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	729
Proceeds from sale of capital assets	—
Acquisition of capital assets	(22,163)
Transfers to escrow agent	(1,654)
Principal paid on capital debt and leases	(7,900)
Interest paid on capital debt and leases	(6,531)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(5,472)</u>

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 771,253
Purchases of investments	(793,600)
Investment income proceeds	4,391
Net cash used in investing activities	<u>(17,956)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	13
Cash and cash equivalents at end of year	<u>\$ 13</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 13
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 13</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (503,828)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,457
Change in assets and liabilities:	
Accounts receivable, net	(789)
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other current assets	(628)
Other assets	(382)
Deferred outflows of resources	111,704
Accounts payable	2,516
Accrued salaries and benefits	30
Accrued compensated absences	952
Unearned revenues	3,502
Depository accounts	—
Total other postemployment benefits liability	(50,551)
Net pension liability	(83,378)
Other liabilities	(227)
Deferred inflows of resources	95,527
Net cash used in operating activities	<u>\$ (392,095)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,079
Change in accrued capital asset purchases	2,227
Amortization of net bond premium	1,211
Amortization of loss on debt refundings	191
Capital assets paid by the Office of the Chancellor	76

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,471
Payments from discretely presented component units for other than salaries	8,528
Payments to discretely presented component units for services, space, and programs	20,428
Gifts in kind from discretely presented component units	75
Gifts (cash or assets) from discretely presented component units	653
Accounts receivable from discretely presented component units	279
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(260)
Other amounts payable to discretely presented component units	(51)
Payments to the Office of the Chancellor for administrative activities	475
Payments to the Office of the Chancellor for state pro rata charges	150
Accounts receivable from the Office of the Chancellor	285
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	3,003
Other interagency payments or receipts for services, space, and programs	3

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 11	5,000	5,011
Short-term investments	179,198	87,012	266,210
Accounts receivable, net	7,870	10,491	18,361
Capital lease receivable, current portion	990	—	990
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,198	2,198
Prepaid expenses and other current assets	4,542	3,428	7,970
Total current assets	<u>192,611</u>	<u>108,129</u>	<u>300,740</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	3,445	3,445
Accounts receivable, net	4,099	—	4,099
Capital lease receivable, net of current portion	20,005	—	20,005
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	4,343	—	4,343
Pledges receivable, net	—	2,354	2,354
Endowment investments	—	100,039	100,039
Other long-term investments	106,383	—	106,383
Capital assets, net	681,919	47,474	729,393
Other assets	247	—	247
Total noncurrent assets	<u>816,996</u>	<u>153,312</u>	<u>970,308</u>
Total assets	<u>1,009,607</u>	<u>261,441</u>	<u>1,271,048</u>
Deferred Outflows of Resources			
Deferred outflows of resources	120,711	6,508	127,219
Liabilities			
Current liabilities:			
Accounts payable	15,288	5,131	20,419
Accrued salaries and benefits	25,090	1,494	26,584
Accrued compensated absences, current portion	6,184	930	7,114
Unearned revenues	7,961	1,516	9,477
Capital lease obligations, current portion	1,119	990	2,109
Long-term debt obligations, current portion	7,405	—	7,405
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	915	—	915
Other liabilities	7,889	5,981	13,870
Total current liabilities	<u>71,851</u>	<u>16,042</u>	<u>87,893</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,334	235	3,569
Unearned revenues	—	—	—
Grants refundable	5,988	—	5,988
Capital lease obligations, net of current portion	5,752	22,494	28,246
Long-term debt obligations, net of current portion	381,638	—	381,638
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	615,505	14,141	629,646
Net pension liability	364,843	10,200	375,043
Other liabilities	—	890	890
Total noncurrent liabilities	<u>1,377,060</u>	<u>47,960</u>	<u>1,425,020</u>
Total liabilities	<u>1,448,911</u>	<u>64,002</u>	<u>1,512,913</u>
Deferred Inflows of Resources			
Deferred inflows of resources	135,501	2,043	137,544
Net Position			
Net position:			
Net investment in capital assets	316,034	24,302	340,336
Restricted for:			
Nonexpendable – endowments	—	85,782	85,782
Expendable:			
Scholarships and fellowships	31	5,262	5,293
Research	—	—	—
Loans	830	—	830
Capital projects	6,276	1,913	8,189
Debt service	3,435	—	3,435
Others	—	54,212	54,212
Unrestricted	(780,700)	30,433	(750,267)
Total net position	<u>\$ (454,094)</u>	<u>201,904</u>	<u>(252,190)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$101,637)	\$ 96,848	20,087	—	116,935
Grants and contracts, noncapital:				
Federal	—	10,933	—	10,933
State	—	1,994	—	1,994
Local	—	—	—	—
Nongovernmental	—	1,024	—	1,024
Sales and services of educational activities	—	12,405	—	12,405
Sales and services of auxiliary enterprises (net of scholarship allowances of \$7,804)	30,468	45,681	—	76,149
Other operating revenues	8,144	4,997	—	13,141
Total operating revenues	<u>135,460</u>	<u>97,121</u>	<u>—</u>	<u>232,581</u>
Expenses:				
Operating expenses:				
Instruction	180,213	10,601	—	190,814
Research	2,857	7,772	—	10,629
Public service	322	1,144	—	1,466
Academic support	47,097	7,284	(669)	53,712
Student services	48,521	16,034	—	64,555
Institutional support	45,002	5,313	—	50,315
Operation and maintenance of plant	41,213	160	—	41,373
Student grants and scholarships	43,590	1,418	(3,216)	41,792
Auxiliary enterprise expenses	14,734	47,885	—	62,619
Depreciation and amortization	27,622	3,652	—	31,274
Total operating expenses	<u>451,171</u>	<u>101,263</u>	<u>(3,885)</u>	<u>548,549</u>
Operating loss	<u>(315,711)</u>	<u>(4,142)</u>	<u>3,885</u>	<u>(315,968)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	176,950	—	—	176,950
Federal financial aid grants, noncapital	62,847	—	—	62,847
State financial aid grants, noncapital	49,995	—	—	49,995
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,453	—	(3,216)	237
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	3,265	10,499	(1,162)	12,602
Investment income, net	8,005	2,963	—	10,968
Endowment income, net	—	2,997	—	2,997
Interest expense	(8,832)	(1,116)	—	(9,948)
Other nonoperating revenues (expenses)	28,951	(4,166)	1,946	26,731
Net nonoperating income	<u>324,634</u>	<u>11,177</u>	<u>(2,432)</u>	<u>333,379</u>
Income before other revenues	8,923	7,035	1,453	17,411
State appropriations, capital	2,913	—	—	2,913
Grants and gifts, capital	1,459	—	(1,453)	6
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>13,295</u>	<u>7,035</u>	<u>—</u>	<u>20,330</u>
Net position:				
Net position at beginning of year	<u>(467,389)</u>	<u>194,869</u>	<u>—</u>	<u>(272,520)</u>
Net position at end of year	<u>\$ (454,094)</u>	<u>201,904</u>	<u>—</u>	<u>(252,190)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 96,866
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(58,508)
Payments to employees	(175,371)
Payments for benefits	(87,555)
Payments to students	(44,372)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	29,678
Other receipts	6,914
	<u>(232,348)</u>
Cash flows from noncapital financing activities:	
State appropriations	161,286
Federal financial aid grants	62,895
State financial aid grants	49,991
Nongovernmental and other financial aid grants	3,453
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	2,587
Federal loan program receipts	68,766
Federal loan program disbursements	(67,854)
Monies received on behalf of others	22,144
Monies disbursed on behalf of others	(21,400)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(940)
Interest paid on long-term debt	(1,073)
Issuance of notes receivable	—
Principal collections on capital leases	940
Interest collections on capital leases	1,073
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	35,977
	<u>317,845</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	966
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	43
Acquisition of capital assets	(133,573)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(7,796)
Interest paid on capital debt and leases	(18,156)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>(158,516)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 627,952
Purchases of investments	(558,840)
Investment income proceeds	3,907
Net cash provided by investing activities	<u>73,019</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	11
Cash and cash equivalents at end of year	<u>\$ 11</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 11
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 11</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (315,711)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	27,622
Change in assets and liabilities:	
Accounts receivable, net	(574)
Student loans receivable, net	(97)
Pledges receivable, net	—
Prepaid expenses and other current assets	(710)
Other assets	(237)
Deferred outflows of resources	73,933
Accounts payable	(751)
Accrued salaries and benefits	3,545
Accrued compensated absences	558
Unearned revenues	1,452
Depository accounts	—
Total other postemployment benefits liability	(32,922)
Net pension liability	(53,034)
Other liabilities	(780)
Deferred inflows of resources	65,358
Net cash used in operating activities	<u>\$ (232,348)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 15,664
Change in accrued capital asset purchases	16,336
Capital assets paid by the Office of the Chancellor	2,399
Amortization of net bond premium	2,083
Contributed capital assets	1,459
Other assets paid through long-term debt	678
Amortization of loss on debt refundings	523

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2019

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,203
Payments from discretely presented component units for other than salaries	15,694
Payments to discretely presented component units for services, space, and programs	32,188
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,615
Accounts receivable from discretely presented component units	4,098
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,221)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	221
Payments to the Office of the Chancellor for state pro rata charges	80
Accounts receivable from the Office of the Chancellor	492
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	(74)
State lottery allocation received	2,229
Other interagency payments or receipts for services, space, and programs	60

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 27	4,211	4,238
Short-term investments	146,154	43,540	189,694
Accounts receivable, net	25,916	25,839	51,755
Capital lease receivable, current portion	782	783	1,565
Notes receivable, current portion	60	321	381
Pledges receivable, net	—	2,413	2,413
Prepaid expenses and other current assets	3,863	1,886	5,749
Total current assets	<u>176,802</u>	<u>78,993</u>	<u>255,795</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	7,125	7,125
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	17,620	39,949	57,569
Notes receivable, net of current portion	—	1,961	1,961
Student loans receivable, net	3,431	—	3,431
Pledges receivable, net	—	332	332
Endowment investments	14	47,815	47,829
Other long-term investments	58,156	20,857	79,013
Capital assets, net	526,660	66,589	593,249
Other assets	231	217	448
Total noncurrent assets	<u>606,112</u>	<u>184,845</u>	<u>790,957</u>
Total assets	<u>782,914</u>	<u>263,838</u>	<u>1,046,752</u>
Deferred Outflows of Resources			
Deferred outflows of resources	143,129	6,243	149,372
Liabilities			
Current liabilities:			
Accounts payable	9,870	9,768	19,638
Accrued salaries and benefits	24,451	3,661	28,112
Accrued compensated absences, current portion	8,788	1,685	10,473
Unearned revenues	22,785	1,888	24,673
Capital lease obligations, current portion	1,456	662	2,118
Long-term debt obligations, current portion	8,158	2,454	10,612
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	809	1,781	2,590
Other liabilities	3,095	1,722	4,817
Total current liabilities	<u>79,412</u>	<u>23,621</u>	<u>103,033</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,127	261	3,388
Unearned revenues	—	—	—
Grants refundable	5,765	4,038	9,803
Capital lease obligations, net of current portion	34,434	15,863	50,297
Long-term debt obligations, net of current portion	253,805	54,499	308,304
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	811,893	10,341	822,234
Net pension liability	424,114	16,640	440,754
Other liabilities	50	1,394	1,444
Total noncurrent liabilities	<u>1,533,188</u>	<u>103,036</u>	<u>1,636,224</u>
Total liabilities	<u>1,612,600</u>	<u>126,657</u>	<u>1,739,257</u>
Deferred Inflows of Resources			
Deferred inflows of resources	176,490	2,219	178,709
Net Position			
Net position:			
Net investment in capital assets	260,165	34,084	294,249
Restricted for:			
Nonexpendable – endowments	14	45,616	45,630
Expendable:			
Scholarships and fellowships	304	7,308	7,612
Research	—	—	—
Loans	1,173	—	1,173
Capital projects	72	2,656	2,728
Debt service	119	3,295	3,414
Others	725	14,265	14,990
Unrestricted	(1,125,619)	33,981	(1,091,638)
Total net position	<u>\$ (863,047)</u>	<u>141,205</u>	<u>(721,842)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$110,870)	\$ 143,884	13,647	—	157,531
Grants and contracts, noncapital:				
Federal	930	14,814	—	15,744
State	5,083	30,848	—	35,931
Local	238	2,594	—	2,832
Nongovernmental	122	4,867	—	4,989
Sales and services of educational activities	2,902	14,997	—	17,899
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,150)	30,083	45,476	(3,256)	72,303
Other operating revenues	19,038	4,646	(13)	23,671
Total operating revenues	202,280	131,889	(3,269)	330,900
Expenses:				
Operating expenses:				
Instruction	239,756	8,681	—	248,437
Research	1,112	17,451	—	18,563
Public service	7,444	41,050	—	48,494
Academic support	78,336	6,823	—	85,159
Student services	55,383	11,991	—	67,374
Institutional support	34,931	41,303	(5,626)	70,608
Operation and maintenance of plant	49,382	6,299	—	55,681
Student grants and scholarships	69,448	3,395	—	72,843
Auxiliary enterprise expenses	26,660	6,102	—	32,762
Depreciation and amortization	31,903	3,669	—	35,572
Total operating expenses	594,355	146,764	(5,626)	735,493
Operating loss	(392,075)	(14,875)	2,357	(404,593)
Nonoperating revenues (expenses):				
State appropriations, noncapital	200,958	—	—	200,958
Federal financial aid grants, noncapital	76,316	—	—	76,316
State financial aid grants, noncapital	58,184	—	—	58,184
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	666	3,397	(216)	3,847
Investment income, net	7,094	3,857	—	10,951
Endowment income (loss), net	—	—	—	—
Interest expense	(11,641)	(3,429)	—	(15,070)
Other nonoperating revenues	45,763	12,497	—	58,260
Net nonoperating income	377,340	16,322	(216)	393,446
Income (loss) before other revenues	(14,735)	1,447	2,141	(11,147)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,893	—	(2,141)	752
Additions to permanent endowments	—	4,285	—	4,285
Increase (decrease) in net position	(11,842)	5,732	—	(6,110)
Net position:				
Net position at beginning of year	(851,205)	135,473	—	(715,732)
Net position at end of year	\$ (863,047)	141,205	—	(721,842)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 145,853
Federal grants and contracts	927
State grants and contracts	163
Local grants and contracts	248
Nongovernmental grants and contracts	136
Payments to suppliers	(84,535)
Payments to employees	(216,909)
Payments for benefits	(109,019)
Payments to students	(69,320)
Collections of student loans	17
Sales and services of educational activities	2,909
Sales and services of auxiliary enterprises	30,147
Other receipts	17,632
Net cash used in operating activities	<u>(281,751)</u>
Cash flows from noncapital financing activities:	
State appropriations	183,405
Federal financial aid grants	76,249
State financial aid grants	58,184
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	666
Federal loan program receipts	98,595
Federal loan program disbursements	(97,707)
Monies received on behalf of others	11,236
Monies disbursed on behalf of others	(11,362)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(580)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on capital leases	161
Interest collections on capital leases	53
Principal collections on notes receivable	116
Interest collections on notes receivable	5
Other noncapital financing activities	45,486
Net cash provided by noncapital financing activities	<u>364,507</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	53
State appropriations	1,255
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	3,354
Proceeds from sale of capital assets	91
Acquisition of capital assets	(91,903)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(8,733)
Interest paid on capital debt and leases	(13,636)
Principal collection on capital leases	580
Interest collection on capital leases	853
Net cash used in capital and related financing activities	<u>(108,086)</u>

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 646,184
Purchases of investments	(624,878)
Investment income proceeds	4,024
Net cash provided by investing activities	<u>25,330</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	27
Cash and cash equivalents at end of year	<u>\$ 27</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 27
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 27</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (392,075)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,903
Change in assets and liabilities:	
Accounts receivable, net	(3,797)
Student loans receivable, net	(30)
Pledges receivable, net	240
Prepaid expenses and other current assets	469
Other assets	503
Deferred outflows of resources	82,218
Accounts payable	(74)
Accrued salaries and benefits	1,360
Accrued compensated absences	523
Unearned revenues	(547)
Depository accounts	—
Total other postemployment benefits liability	(29,135)
Net pension liability	(59,027)
Other liabilities	(356)
Deferred inflows of resources	86,074
Net cash used in operating activities	<u>\$ (281,751)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 17,553
Change in accrued capital asset purchases	3,044
Amortization of net bond premium	1,579
Amortization of loss on debt refundings	544
Contributed capital assets	461
Capital assets paid by the Office of the Chancellor	278

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,365
Payments from discretely presented component units for other than salaries	6,225
Payments to discretely presented component units for services, space, and programs	13,235
Gifts in kind from discretely presented component units	29
Gifts (cash or assets) from discretely presented component units	418
Accounts receivable from discretely presented component units	3,326
Other amounts receivable from discretely presented component units	341
Accounts payable to discretely presented component units	(680)
Other amounts payable to discretely presented component units	(651)
Payments to the Office of the Chancellor for administrative activities	359
Payments to the Office of the Chancellor for state pro rata charges	164
Accounts receivable from the Office of the Chancellor	708
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	2,226
Other interagency payments or receipts for services, space, and programs	(723)

See accompanying independent auditors' report.



3.7 MILLION
living alumni
and counting

CAL MARITIME



CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 21	8,238	8,259
Short-term investments	73,913	21,365	95,278
Accounts receivable, net	8,487	11,425	19,912
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,568	1,568
Prepaid expenses and other current assets	1,562	38	1,600
Total current assets	<u>83,983</u>	<u>42,634</u>	<u>126,617</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,659	—	1,659
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,499	—	1,499
Pledges receivable, net	—	—	—
Endowment investments	—	41,118	41,118
Other long-term investments	41,945	5,425	47,370
Capital assets, net	457,473	6,302	463,775
Other assets	101	201	302
Total noncurrent assets	<u>502,677</u>	<u>53,046</u>	<u>555,723</u>
Total assets	<u>586,660</u>	<u>95,680</u>	<u>682,340</u>
Deferred Outflows of Resources			
Deferred outflows of resources	85,243	3,172	88,415
Liabilities			
Current liabilities:			
Accounts payable	13,113	6,499	19,612
Accrued salaries and benefits	13,354	734	14,088
Accrued compensated absences, current portion	5,154	336	5,490
Unearned revenues	4,210	3,728	7,938
Capital lease obligations, current portion	650	—	650
Long-term debt obligations, current portion	5,430	—	5,430
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	854	—	854
Other liabilities	8,001	1,609	9,610
Total current liabilities	<u>50,766</u>	<u>12,906</u>	<u>63,672</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,386	336	4,722
Unearned revenues	—	—	—
Grants refundable	1,293	—	1,293
Capital lease obligations, net of current portion	559	—	559
Long-term debt obligations, net of current portion	232,959	—	232,959
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	449,459	4,235	453,694
Net pension liability	290,476	4,631	295,107
Other liabilities	154	4,457	4,611
Total noncurrent liabilities	<u>979,286</u>	<u>13,659</u>	<u>992,945</u>
Total liabilities	<u>1,030,052</u>	<u>26,565</u>	<u>1,056,617</u>
Deferred Inflows of Resources			
Deferred inflows of resources	99,872	1,743	101,615
Net Position			
Net position:			
Net investment in capital assets	232,419	6,302	238,721
Restricted for:			
Nonexpendable – endowments	—	41,118	41,118
Expendable:			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	965	—	965
Capital projects	1,719	—	1,719
Debt service	1,990	—	1,990
Others	10	13,296	13,306
Unrestricted	(695,124)	9,828	(685,296)
Total net position	<u>\$ (458,021)</u>	<u>70,544</u>	<u>(387,477)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$89,538)	\$ 62,788	1,750	—	64,538
Grants and contracts, noncapital:				
Federal	—	19,966	—	19,966
State	—	11,856	—	11,856
Local	—	2,431	—	2,431
Nongovernmental	—	511	—	511
Sales and services of educational activities	147	—	—	147
Sales and services of auxiliary enterprises (net of scholarship allowances of \$7,106)	11,117	46	—	11,163
Other operating revenues	8,434	10,693	—	19,127
Total operating revenues	82,486	47,253	—	129,739
Expenses:				
Operating expenses:				
Instruction	131,791	202	—	131,993
Research	(40)	17,306	—	17,266
Public service	681	6,157	—	6,838
Academic support	29,470	180	—	29,650
Student services	32,824	12,930	—	45,754
Institutional support	52,408	2,177	—	54,585
Operation and maintenance of plant	30,530	—	—	30,530
Student grants and scholarships	44,972	1,574	(1,214)	45,332
Auxiliary enterprise expenses	17,016	8,371	—	25,387
Depreciation and amortization	21,575	663	—	22,238
Total operating expenses	361,227	49,560	(1,214)	409,573
Operating loss	(278,741)	(2,307)	1,214	(279,834)
Nonoperating revenues (expenses):				
State appropriations, noncapital	139,128	—	—	139,128
Federal financial aid grants, noncapital	57,829	—	—	57,829
State financial aid grants, noncapital	43,994	—	—	43,994
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,214	—	(1,214)	—
Other federal nonoperating grants, noncapital	85	—	—	85
Gifts, noncapital	6	4,766	—	4,772
Investment income, net	4,108	2,546	—	6,654
Endowment income (loss), net	—	—	—	—
Interest expense	(8,041)	—	—	(8,041)
Other nonoperating revenues	8,261	317	—	8,578
Net nonoperating income	246,584	7,629	(1,214)	252,999
Income (loss) before other revenues	(32,157)	5,322	—	(26,835)
State appropriations, capital	1,659	—	—	1,659
Grants and gifts, capital	238	—	—	238
Additions to permanent endowments	—	1,723	—	1,723
Increase (decrease) in net position	(30,260)	7,045	—	(23,215)
Net position:				
Net position at beginning of year	(427,761)	63,499	—	(364,262)
Net position at end of year	\$ (458,021)	70,544	—	(387,477)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 61,482
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(51,306)
Payments to employees	(140,334)
Payments for benefits	(68,786)
Payments to students	(45,094)
Collections of student loans	3
Sales and services of educational activities	147
Sales and services of auxiliary enterprises	11,158
Other receipts	6,110
Net cash used in operating activities	<u>(226,620)</u>
Cash flows from noncapital financing activities:	
State appropriations	126,628
Federal financial aid grants	57,481
State financial aid grants	43,994
Nongovernmental and other financial aid grants	1,214
Other federal nonoperating grants	85
Gifts and grants received for other than capital purposes	6
Federal loan program receipts	59,369
Federal loan program disbursements	(58,667)
Monies received on behalf of others	8
Monies disbursed on behalf of others	(74)
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	7,814
Net cash provided by noncapital financing activities	<u>237,858</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	52,116
State appropriations	19
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	238
Proceeds from sale of capital assets	639
Acquisition of capital assets	(43,697)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(25,297)
Interest paid on capital debt and leases	(11,245)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(27,227)</u>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 439,734
Purchases of investments	(426,495)
Investment income proceeds	2,361
Net cash provided by investing activities	15,600
Net decrease in cash and cash equivalents	(389)
Cash and cash equivalents at beginning of year	410
Cash and cash equivalents at end of year	<u>\$ 21</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 21
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 21</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (278,741)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	21,575
Change in assets and liabilities:	
Accounts receivable, net	(1,508)
Student loans receivable, net	(124)
Pledges receivable, net	—
Prepaid expenses and other current assets	351
Other assets	(63)
Deferred outflows of resources	64,582
Accounts payable	(1,564)
Accrued salaries and benefits	981
Accrued compensated absences	558
Unearned revenues	(254)
Depository accounts	—
Total other postemployment benefits liability	(30,976)
Net pension liability	(49,058)
Other liabilities	6
Deferred inflows of resources	47,615
Net cash used in operating activities	<u>\$ (226,620)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 12,474
Change in accrued capital asset purchases	2,913
Amortization of net bond premium	1,314
Capital assets paid by the Office of the Chancellor	446
Acquisition of capital asset through capital lease obligations	208
Amortization of loss on debt refundings	129

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,599
Payments from discretely presented component units for other than salaries	6,445
Payments to discretely presented component units for services, space, and programs	2,502
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	3,090
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(198)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	157
Payments to the Office of the Chancellor for state pro rata charges	63
Accounts receivable from the Office of the Chancellor	214
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	1,770
Other interagency payments or receipts for services, space, and programs	133

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 499	15,172	15,671
Short-term investments	426,903	67,985	494,888
Accounts receivable, net	14,993	40,909	55,902
Capital lease receivable, current portion	226	—	226
Notes receivable, current portion	—	945	945
Pledges receivable, net	—	8,686	8,686
Prepaid expenses and other current assets	3,777	5,128	8,905
Total current assets	<u>446,398</u>	<u>138,825</u>	<u>585,223</u>
Noncurrent assets:			
Restricted cash and cash equivalents	103	760	863
Accounts receivable, net	7,432	—	7,432
Capital lease receivable, net of current portion	2,231	—	2,231
Notes receivable, net of current portion	—	12,040	12,040
Student loans receivable, net	4,756	—	4,756
Pledges receivable, net	—	14,365	14,365
Endowment investments	—	312,162	312,162
Other long-term investments	121,824	67,056	188,880
Capital assets, net	956,588	139,189	1,095,777
Other assets	7,886	4,982	12,868
Total noncurrent assets	<u>1,100,820</u>	<u>550,554</u>	<u>1,651,374</u>
Total assets	<u>1,547,218</u>	<u>689,379</u>	<u>2,236,597</u>
Deferred Outflows of Resources			
Deferred outflows of resources	159,496	1,025	160,521
Liabilities			
Current liabilities:			
Accounts payable	37,712	10,999	48,711
Accrued salaries and benefits	30,846	5,395	36,241
Accrued compensated absences, current portion	7,031	1,454	8,485
Unearned revenues	48,625	26,837	75,462
Capital lease obligations, current portion	1,492	250	1,742
Long-term debt obligations, current portion	12,700	3,950	16,650
Claims liability for losses and loss adjustment expenses, current portion	—	1,488	1,488
Depository accounts	573	—	573
Other liabilities	7,137	39,055	46,192
Total current liabilities	<u>146,116</u>	<u>89,428</u>	<u>235,544</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,081	2,796	14,877
Unearned revenues	2,385	—	2,385
Grants refundable	6,826	—	6,826
Capital lease obligations, net of current portion	23,507	2,252	25,759
Long-term debt obligations, net of current portion	557,318	88,484	645,802
Claims liability for losses and loss adjustment expenses, net of current portion	—	2,562	2,562
Depository accounts	—	—	—
Total other postemployment benefits liability	1,043,791	16,814	1,060,605
Net pension liability	546,280	2,714	548,994
Other liabilities	47	10,897	10,944
Total noncurrent liabilities	<u>2,192,235</u>	<u>126,519</u>	<u>2,318,754</u>
Total liabilities	<u>2,338,351</u>	<u>215,947</u>	<u>2,554,298</u>
Deferred Inflows of Resources			
Deferred inflows of resources	226,909	—	226,909
Net Position			
Net position:			
Net investment in capital assets	378,982	44,490	423,472
Restricted for:			
Nonexpendable – endowments	—	201,189	201,189
Expendable:			
Scholarships and fellowships	175	19,380	19,555
Research	—	8,406	8,406
Loans	365	—	365
Capital projects	22,337	17,077	39,414
Debt service	3,330	—	3,330
Others	35	143,706	143,741
Unrestricted	(1,263,770)	40,209	(1,223,561)
Total net position	<u>\$ (858,546)</u>	<u>474,457</u>	<u>(384,089)</u>

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$130,844)	\$ 218,582	26,832	—	245,414
Grants and contracts, noncapital:				
Federal	—	86,174	—	86,174
State	43	7,908	—	7,951
Local	—	2,555	—	2,555
Nongovernmental	1,905	25,148	—	27,053
Sales and services of educational activities	19,825	6,012	—	25,837
Sales and services of auxiliary enterprises (net of scholarship allowances of \$17,307)	56,060	88,895	—	144,955
Other operating revenues	18,125	15,836	—	33,961
Total operating revenues	314,540	259,360	—	573,900
Expenses:				
Operating expenses:				
Instruction	247,086	35,952	—	283,038
Research	6,641	40,291	—	46,932
Public service	6,563	49,147	—	55,710
Academic support	69,167	24,012	(2,308)	90,871
Student services	98,164	3,427	(2,249)	99,342
Institutional support	38,085	22,388	—	60,473
Operation and maintenance of plant	71,993	4,288	—	76,281
Student grants and scholarships	27,299	7,654	(7,525)	27,428
Auxiliary enterprise expenses	51,327	94,949	—	146,276
Depreciation and amortization	47,308	10,181	—	57,489
Total operating expenses	663,633	292,289	(12,082)	943,840
Operating loss	(349,093)	(32,929)	12,082	(369,940)
Nonoperating revenues (expenses):				
State appropriations, noncapital	234,569	—	—	234,569
Federal financial aid grants, noncapital	54,666	—	—	54,666
State financial aid grants, noncapital	40,557	—	—	40,557
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	9,294	—	(7,525)	1,769
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	8,605	20,295	(8,605)	20,295
Investment income, net	14,205	4,597	—	18,802
Endowment income, net	—	10,986	—	10,986
Interest expense	(22,361)	(4,227)	—	(26,588)
Other nonoperating revenues (expenses)	10,657	(10,765)	11,935	11,827
Net nonoperating income	350,192	20,886	(4,195)	366,883
Income (loss) before other revenues	1,099	(12,043)	7,887	(3,057)
State appropriations, capital	7,082	—	—	7,082
Grants and gifts, capital	20,767	14,505	(7,887)	27,385
Additions to permanent endowments	—	29,594	—	29,594
Increase in net position	28,948	32,056	—	61,004
Net position:				
Net position at beginning of year	(887,494)	442,401	—	(445,093)
Net position at end of year	\$ (858,546)	474,457	—	(384,089)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 217,642
Federal grants and contracts	—
State grants and contracts	43
Local grants and contracts	—
Nongovernmental grants and contracts	1,905
Payments to suppliers	(133,844)
Payments to employees	(267,683)
Payments for benefits	(135,122)
Payments to students	(27,484)
Collections of student loans	158
Sales and services of educational activities	18,973
Sales and services of auxiliary enterprises	55,762
Other receipts	16,288
	<hr/>
Net cash used in operating activities	(253,362)
Cash flows from noncapital financing activities:	
State appropriations	210,596
Federal financial aid grants	54,592
State financial aid grants	40,557
Nongovernmental and other financial aid grants	9,294
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	8,605
Federal loan program receipts	122,618
Federal loan program disbursements	(121,502)
Monies received on behalf of others	37,369
Monies disbursed on behalf of others	(37,497)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(200)
Interest paid on long-term debt	(275)
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	9,111
	<hr/>
Net cash provided by noncapital financing activities	333,268
Cash flows from capital and related financing activities:	
Proceeds from capital debt	173,188
State appropriations	1,506
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	18,770
Proceeds from sale of capital assets	278
Acquisition of capital assets	(119,674)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(77,756)
Interest paid on capital debt and leases	(24,908)
Principal collection on capital leases	218
Interest collection on capital leases	—
	<hr/>
Net cash used in capital and related financing activities	(28,378)

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 976,977
Purchases of investments	(1,036,305)
Investment income proceeds	7,272
Net cash used in investing activities	<u>(52,056)</u>
Net decrease in cash and cash equivalents	(528)
Cash and cash equivalents at beginning of year	1,130
Cash and cash equivalents at end of year	<u>\$ 602</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 499
Restricted cash and cash equivalents	103
Total cash and cash equivalents at end of year	<u>\$ 602</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (349,093)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	47,308
Change in assets and liabilities:	
Accounts receivable, net	(340)
Student loans receivable, net	29
Pledges receivable, net	—
Prepaid expenses and other current assets	(208)
Other assets	(354)
Deferred outflows of resources	117,884
Accounts payable	3,661
Accrued salaries and benefits	2,187
Accrued compensated absences	1,606
Unearned revenues	(3,779)
Depository accounts	—
Total other postemployment benefits liability	(86,319)
Net pension liability	(91,909)
Other liabilities	446
Deferred inflows of resources	105,519
Net cash used in operating activities	<u>\$ (253,362)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,973
Change in accrued capital asset purchases	10,263
Amortization of net bond premium	2,750
Contributed capital assets	2,018
Capital assets paid by the Office of the Chancellor	232
Amortization of loss on debt refundings	119

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,095
Payments from discretely presented component units for other than salaries	10,209
Payments to discretely presented component units for services, space, and programs	24,204
Gifts in kind from discretely presented component units	2,018
Gifts (cash or assets) from discretely presented component units	29,358
Accounts receivable from discretely presented component units	6,176
Other amounts receivable from discretely presented component units	2,457
Accounts payable to discretely presented component units	(622)
Other amounts payable to discretely presented component units	(741)
Payments to the Office of the Chancellor for administrative activities	307
Payments to the Office of the Chancellor for state pro rata charges	101
Accounts receivable from the Office of the Chancellor	503
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	2,681
Other interagency payments or receipts for services, space, and programs	677

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 11,642	5,905	17,547
Short-term investments	198,124	78,020	276,144
Accounts receivable, net	18,926	4,804	23,730
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	8	8
Pledges receivable, net	—	422	422
Prepaid expenses and other current assets	3,791	83	3,874
Total current assets	<u>232,483</u>	<u>89,242</u>	<u>321,725</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	5,894	—	5,894
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	4,363	—	4,363
Pledges receivable, net	—	677	677
Endowment investments	—	94,177	94,177
Other long-term investments	4,977	10,097	15,074
Capital assets, net	533,775	7,243	541,018
Other assets	38	398	436
Total noncurrent assets	<u>549,047</u>	<u>112,592</u>	<u>661,639</u>
Total assets	<u>781,530</u>	<u>201,834</u>	<u>983,364</u>
Deferred Outflows of Resources			
Deferred outflows of resources	144,708	—	144,708
Liabilities			
Current liabilities:			
Accounts payable	15,234	3,270	18,504
Accrued salaries and benefits	27,867	237	28,104
Accrued compensated absences, current portion	9,648	84	9,732
Unearned revenues	19,300	281	19,581
Capital lease obligations, current portion	725	—	725
Long-term debt obligations, current portion	9,355	—	9,355
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	3,571	—	3,571
Other liabilities	6,226	91	6,317
Total current liabilities	<u>91,926</u>	<u>3,963</u>	<u>95,889</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,728	202	6,930
Unearned revenues	—	—	—
Grants refundable	6,739	—	6,739
Capital lease obligations, net of current portion	20,053	—	20,053
Long-term debt obligations, net of current portion	251,362	—	251,362
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	832,232	1,483	833,715
Net pension liability	499,901	—	499,901
Other liabilities	—	350	350
Total noncurrent liabilities	<u>1,617,015</u>	<u>2,035</u>	<u>1,619,050</u>
Total liabilities	<u>1,708,941</u>	<u>5,998</u>	<u>1,714,939</u>
Deferred Inflows of Resources			
Deferred inflows of resources	183,464	5,177	188,641
Net Position			
Net position:			
Net investment in capital assets	254,683	1,527	256,210
Restricted for:			
Nonexpendable – endowments	—	94,177	94,177
Expendable:			
Scholarships and fellowships	—	49,915	49,915
Research	—	—	—
Loans	1,206	—	1,206
Capital projects	3,309	7,796	11,105
Debt service	446	—	446
Others	—	—	0
Unrestricted	(1,225,811)	37,244	(1,188,567)
Total net position	<u>\$ (966,167)</u>	<u>190,659</u>	<u>(775,508)</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$113,935)	\$ 136,039	6,728	—	142,767
Grants and contracts, noncapital:				
Federal	22,437	318	—	22,755
State	2,237	97	—	2,334
Local	2,084	621	—	2,705
Nongovernmental	3,250	734	—	3,984
Sales and services of educational activities	247	—	—	247
Sales and services of auxiliary enterprises (net of scholarship allowances of \$7,317)	60,203	13,333	—	73,536
Other operating revenues	12,417	3,417	—	15,834
Total operating revenues	<u>238,914</u>	<u>25,248</u>	<u>—</u>	<u>264,162</u>
Expenses:				
Operating expenses:				
Instruction	202,908	2,297	—	205,205
Research	24,797	312	—	25,109
Public service	9,574	613	—	10,187
Academic support	85,048	1,931	—	86,979
Student services	52,487	6,747	—	59,234
Institutional support	44,594	5,797	—	50,391
Operation and maintenance of plant	64,082	1,760	—	65,842
Student grants and scholarships	46,741	2,427	(2,225)	46,943
Auxiliary enterprise expenses	22,116	5,342	—	27,458
Depreciation and amortization	31,496	357	—	31,853
Total operating expenses	<u>583,843</u>	<u>27,583</u>	<u>(2,225)</u>	<u>609,201</u>
Operating loss	<u>(344,929)</u>	<u>(2,335)</u>	<u>2,225</u>	<u>(345,039)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	204,973	—	—	204,973
Federal financial aid grants, noncapital	62,134	—	—	62,134
State financial aid grants, noncapital	44,643	—	—	44,643
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	2,426	14,269	(2,225)	14,470
Investment income, net	6,150	6,380	—	12,530
Endowment income (loss), net	—	—	—	—
Interest expense	(10,646)	—	—	(10,646)
Other nonoperating revenues (expenses)	10,177	(3,436)	—	6,741
Net nonoperating income	<u>319,857</u>	<u>17,213</u>	<u>(2,225)</u>	<u>334,845</u>
Income (loss) before other revenues	(25,072)	14,878	—	(10,194)
State appropriations, capital	2,803	—	—	2,803
Grants and gifts, capital	40	—	—	40
Additions to permanent endowments	—	34,289	—	34,289
Increase (decrease) in net position	<u>(22,229)</u>	<u>49,167</u>	<u>—</u>	<u>26,938</u>
Net position:				
Net position at beginning of year	<u>(943,938)</u>	<u>141,492</u>	<u>—</u>	<u>(802,446)</u>
Net position at end of year	<u>\$ (966,167)</u>	<u>190,659</u>	<u>—</u>	<u>(775,508)</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 131,449
Federal grants and contracts	20,967
State grants and contracts	2,386
Local grants and contracts	1,521
Nongovernmental grants and contracts	3,454
Payments to suppliers	(98,094)
Payments to employees	(245,367)
Payments for benefits	(117,501)
Payments to students	(47,159)
Collections of student loans	238
Sales and services of educational activities	247
Sales and services of auxiliary enterprises	58,586
Other receipts	15,000
	<u>(274,273)</u>
Net cash used in operating activities	(274,273)
Cash flows from noncapital financing activities:	
State appropriations	184,645
Federal financial aid grants	60,845
State financial aid grants	44,914
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	2,637
Federal loan program receipts	108,235
Federal loan program disbursements	(107,073)
Monies received on behalf of others	6,401
Monies disbursed on behalf of others	(6,608)
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	11,536
	<u>305,532</u>
Net cash provided by noncapital financing activities	305,532
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	840
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	40
Proceeds from sale of capital assets	—
Acquisition of capital assets	(55)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(9,290)
Interest paid on capital debt and leases	(11,838)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>(20,303)</u>
Net cash used in capital and related financing activities	(20,303)

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 728,014
Purchases of investments	(730,674)
Investment income proceeds	3,332
Net cash provided by investing activities	672
Net increase in cash and cash equivalents	11,628
Cash and cash equivalents at beginning of year	14
Cash and cash equivalents at end of year	<u>\$ 11,642</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 11,642
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 11,642</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (344,929)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,496
Change in assets and liabilities:	
Accounts receivable, net	949
Student loans receivable, net	(108)
Pledges receivable, net	—
Prepaid expenses and other current assets	206
Other assets	(28)
Deferred outflows of resources	99,342
Accounts payable	(1,036)
Accrued salaries and benefits	1,257
Accrued compensated absences	814
Unearned revenues	(3,299)
Depository accounts	—
Total other postemployment benefits liability	(64,972)
Net pension liability	(80,765)
Other liabilities	411
Deferred inflows of resources	86,389
Net cash used in operating activities	<u>\$ (274,273)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 20,329
Acquisition of capital assets through capital lease	19,424
Change in accrued capital asset purchases	1,976
Amortization of net bond premium	1,933
Amortization of loss on debt refundings	273
Capital assets paid by the Office of the Chancellor	88

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,257
Payments from discretely presented component units for other than salaries	4,481
Payments to discretely presented component units for services, space, and programs	8,849
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,445
Accounts receivable from discretely presented component units	2,790
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(240)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	763
Payments to the Office of the Chancellor for state pro rata charges	178
Accounts receivable from the Office of the Chancellor	330
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	3
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,378
Other interagency payments or receipts for services, space, and programs	37

See accompanying independent auditors' report.



ONE IN TEN
employees in California
is a CSU graduate



SAN JOSE STATE UNIVERSITY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 2,137	29,208	31,345
Short-term investments	217,405	30,722	248,127
Accounts receivable, net	14,348	11,094	25,442
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	5,868	5,868
Prepaid expenses and other current assets	2,790	1,208	3,998
Total current assets	<u>236,680</u>	<u>78,100</u>	<u>314,780</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	1,033	1,033
Accounts receivable, net	1,899	—	1,899
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	217	217
Student loans receivable, net	4,700	—	4,700
Pledges receivable, net	—	12,446	12,446
Endowment investments	—	159,292	159,292
Other long-term investments	103,614	10,210	113,824
Capital assets, net	738,705	26,326	765,031
Other assets	4,305	12,961	17,266
Total noncurrent assets	<u>853,223</u>	<u>222,485</u>	<u>1,075,708</u>
Total assets	<u>1,089,903</u>	<u>300,585</u>	<u>1,390,488</u>
Deferred Outflows of Resources			
Deferred outflows of resources	164,307	579	164,886
Liabilities			
Current liabilities:			
Accounts payable	26,127	6,879	33,006
Accrued salaries and benefits	29,424	1,946	31,370
Accrued compensated absences, current portion	7,993	2,067	10,060
Unearned revenues	35,093	5,761	40,854
Capital lease obligations, current portion	—	5	5
Long-term debt obligations, current portion	13,540	—	13,540
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	73	125	198
Other liabilities	7,323	6,223	13,546
Total current liabilities	<u>119,573</u>	<u>23,006</u>	<u>142,579</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	13,379	100	13,479
Unearned revenues	5,483	2,433	7,916
Grants refundable	6,777	—	6,777
Capital lease obligations, net of current portion	—	6	6
Long-term debt obligations, net of current portion	483,663	—	483,663
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	357	357
Total other postemployment benefits liability	885,080	18,176	903,256
Net pension liability	500,592	—	500,592
Other liabilities	527	1,819	2,346
Total noncurrent liabilities	<u>1,895,501</u>	<u>22,891</u>	<u>1,918,392</u>
Total liabilities	<u>2,015,074</u>	<u>45,897</u>	<u>2,060,971</u>
Deferred Inflows of Resources			
Deferred inflows of resources	193,850	614	194,464
Net Position			
Net position:			
Net investment in capital assets	253,000	22,596	275,596
Restricted for:			
Nonexpendable – endowments	—	114,974	114,974
Expendable:			
Scholarships and fellowships	8,452	3,598	12,050
Research	—	29	29
Loans	6,000	—	6,000
Capital projects	1,802	—	1,802
Debt service	102	—	102
Others	—	84,971	84,971
Unrestricted	(1,224,070)	28,485	(1,195,585)
Total net position	<u>\$ (954,714)</u>	<u>254,653</u>	<u>(700,061)</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$110,914)	\$ 190,251	19,088	—	209,339
Grants and contracts, noncapital:				
Federal	—	31,829	—	31,829
State	—	7,284	—	7,284
Local	—	2,320	—	2,320
Nongovernmental	—	5,800	—	5,800
Sales and services of educational activities	11,761	—	—	11,761
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,834)	57,960	5,600	—	63,560
Other operating revenues	14,036	28,736	—	42,772
Total operating revenues	<u>274,008</u>	<u>100,657</u>	<u>—</u>	<u>374,665</u>
Expenses:				
Operating expenses:				
Instruction	259,696	8,273	(174)	267,795
Research	749	35,292	—	36,041
Public service	3,620	349	—	3,969
Academic support	52,622	10,442	(278)	62,786
Student services	79,036	15,187	(10)	94,213
Institutional support	50,562	23,255	(9)	73,808
Operation and maintenance of plant	60,024	699	—	60,723
Student grants and scholarships	35,674	6,245	(6,041)	35,878
Auxiliary enterprise expenses	44,212	11,364	—	55,576
Depreciation and amortization	36,918	3,359	—	40,277
Total operating expenses	<u>623,113</u>	<u>114,465</u>	<u>(6,512)</u>	<u>731,066</u>
Operating loss	<u>(349,105)</u>	<u>(13,808)</u>	<u>6,512</u>	<u>(356,401)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	199,344	—	—	199,344
Federal financial aid grants, noncapital	55,440	1,181	—	56,621
State financial aid grants, noncapital	45,423	1,347	—	46,770
Local financial aid grants, noncapital	—	36	—	36
Nongovernmental and other financial aid grants, noncapital	—	97	—	97
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	5,792	1,269	(6,235)	826
Investment income, net	9,183	8,522	—	17,705
Endowment income (loss), net	—	—	—	—
Interest expense	(16,115)	(2)	—	(16,117)
Other nonoperating revenues	21,602	1,773	—	23,375
Net nonoperating income	<u>320,669</u>	<u>14,223</u>	<u>(6,235)</u>	<u>328,657</u>
Income (loss) before other revenues	<u>(28,436)</u>	<u>415</u>	<u>277</u>	<u>(27,744)</u>
State appropriations, capital	1,914	—	—	1,914
Grants and gifts, capital	569	—	(277)	292
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(25,953)</u>	<u>415</u>	<u>—</u>	<u>(25,538)</u>
Net position:				
Net position at beginning of year	<u>(928,761)</u>	<u>254,238</u>	<u>—</u>	<u>(674,523)</u>
Net position at end of year	<u>\$ (954,714)</u>	<u>254,653</u>	<u>—</u>	<u>(700,061)</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 188,976
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(125,428)
Payments to employees	(243,403)
Payments for benefits	(117,742)
Payments to students	(35,744)
Collections of student loans	23
Sales and services of educational activities	11,761
Sales and services of auxiliary enterprises	50,981
Other receipts	14,741
	<u>(255,835)</u>
Cash flows from noncapital financing activities:	
State appropriations	178,799
Federal financial aid grants	53,998
State financial aid grants	45,423
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	5,792
Federal loan program receipts	98,436
Federal loan program disbursements	(97,476)
Monies received on behalf of others	8,839
Monies disbursed on behalf of others	(8,833)
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	20,943
	<u>305,921</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	1,192
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	569
Proceeds from sale of capital assets	871
Acquisition of capital assets	(69,967)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(11,765)
Interest paid on capital debt and leases	(18,608)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>(97,708)</u>

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 815,001
Purchases of investments	(769,933)
Investment income proceeds	4,666
Net cash provided by investing activities	49,734
Net increase in cash and cash equivalents	2,112
Cash and cash equivalents at beginning of year	25
Cash and cash equivalents at end of year	<u>\$ 2,137</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,137
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 2,137</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (349,105)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	36,918
Change in assets and liabilities:	
Accounts receivable, net	2,217
Student loans receivable, net	(80)
Pledges receivable, net	—
Prepaid expenses and other current assets	695
Other assets	(499)
Deferred outflows of resources	94,825
Accounts payable	4,081
Accrued salaries and benefits	6,203
Accrued compensated absences	1,784
Unearned revenues	(9,428)
Depository accounts	—
Total other postemployment benefits liability	(63,485)
Net pension liability	(71,012)
Other liabilities	(554)
Deferred inflows of resources	91,605
Net cash used in operating activities	<u>\$ (255,835)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 20,544
Amortization of net bond premium	2,931
Change in accrued capital asset purchases	1,793
Amortization of loss on debt refundings	531
Capital assets paid by the Office of the Chancellor	33

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,837
Payments from discretely presented component units for other than salaries	6,126
Payments to discretely presented component units for services, space, and programs	26,732
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	6,513
Accounts receivable from discretely presented component units	3,907
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(543)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,863
Payments to the Office of the Chancellor for state pro rata charges	215
Accounts receivable from the Office of the Chancellor	793
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	2,500
Other interagency payments or receipts for services, space, and programs	(478)

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 9	51,323	51,332
Short-term investments	178,028	65,471	243,499
Accounts receivable, net	3,280	8,197	11,477
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	27,014	27,014
Prepaid expenses and other current assets	3,658	1,985	5,643
Total current assets	<u>184,975</u>	<u>153,990</u>	<u>338,965</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	533	533
Accounts receivable, net	4,925	31	4,956
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,918	—	2,918
Pledges receivable, net	—	50,881	50,881
Endowment investments	—	227,686	227,686
Other long-term investments	63,999	98,995	162,994
Capital assets, net	890,524	63,048	953,572
Other assets	318	392	710
Total noncurrent assets	<u>962,684</u>	<u>441,566</u>	<u>1,404,250</u>
Total assets	<u>1,147,659</u>	<u>595,556</u>	<u>1,743,215</u>
Deferred Outflows of Resources			
Deferred outflows of resources	161,989	4,466	166,455
Liabilities			
Current liabilities:			
Accounts payable	15,799	2,822	18,621
Accrued salaries and benefits	24,636	2,162	26,798
Accrued compensated absences, current portion	7,529	1,069	8,598
Unearned revenues	13,098	10,704	23,802
Capital lease obligations, current portion	606	—	606
Long-term debt obligations, current portion	15,103	425	15,528
Claims liability for losses and loss adjustment expenses, current portion	—	22	22
Depository accounts	317	1,647	1,964
Other liabilities	5,953	283	6,236
Total current liabilities	<u>83,041</u>	<u>19,134</u>	<u>102,175</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,609	—	5,609
Unearned revenues	—	—	—
Grants refundable	2,907	—	2,907
Capital lease obligations, net of current portion	999	—	999
Long-term debt obligations, net of current portion	591,505	29,621	621,126
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	3,938	3,938
Total other postemployment benefits liability	805,891	4,234	810,125
Net pension liability	484,198	20,416	504,614
Other liabilities	3,146	7,879	11,025
Total noncurrent liabilities	<u>1,894,255</u>	<u>66,088</u>	<u>1,960,343</u>
Total liabilities	<u>1,977,296</u>	<u>85,222</u>	<u>2,062,518</u>
Deferred Inflows of Resources			
Deferred inflows of resources	177,736	21,587	199,323
Net Position			
Net position:			
Net investment in capital assets	294,245	22,341	316,586
Restricted for:			
Nonexpendable – endowments	—	130,771	130,771
Expendable:			
Scholarships and fellowships	5,261	16,291	21,552
Research	—	7,324	7,324
Loans	3,318	—	3,318
Capital projects	4,312	77,993	82,305
Debt service	358	—	358
Others	160	153,338	153,498
Unrestricted	(1,153,038)	85,155	(1,067,883)
Total net position	<u>\$ (845,384)</u>	<u>493,213</u>	<u>(352,171)</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, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$50,946)	\$ 198,617	7,239	—	205,856
Grants and contracts, noncapital:				
Federal	—	14,787	—	14,787
State	—	4,988	—	4,988
Local	—	696	—	696
Nongovernmental	—	5,474	—	5,474
Sales and services of educational activities	2,392	—	—	2,392
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,671)	71,442	39,053	—	110,495
Other operating revenues	23,457	26,137	(6,813)	42,781
Total operating revenues	295,908	98,374	(6,813)	387,469
Expenses:				
Operating expenses:				
Instruction	249,473	3,566	(2,616)	250,423
Research	2,168	19,228	(497)	20,899
Public service	461	16,496	—	16,957
Academic support	59,902	15,549	(9,907)	65,544
Student services	82,362	13,110	(5,454)	90,018
Institutional support	44,767	15,021	(6,125)	53,663
Operation and maintenance of plant	50,574	15,363	(3,325)	62,612
Student grants and scholarships	19,475	7,740	(1,855)	25,360
Auxiliary enterprise expenses	45,416	34,119	(59)	79,476
Depreciation and amortization	44,487	2,006	—	46,493
Total operating expenses	599,085	142,198	(29,838)	711,445
Operating loss	(303,177)	(43,824)	23,025	(323,976)
Nonoperating revenues (expenses):				
State appropriations, noncapital	168,690	—	—	168,690
Federal financial aid grants, noncapital	19,099	—	—	19,099
State financial aid grants, noncapital	22,102	—	—	22,102
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	9,855	—	(1,583)	8,272
Other federal nonoperating grants, noncapital	1,107	—	—	1,107
Gifts, noncapital	14,182	26,545	(15,659)	25,068
Investment income, net	6,236	6,781	—	13,017
Endowment income, net	—	11,790	—	11,790
Interest expense	(24,703)	(1,359)	—	(26,062)
Other nonoperating revenues	4,436	2,429	—	6,865
Net nonoperating income	221,004	46,186	(17,242)	249,948
Income (loss) before other revenues	(82,173)	2,362	5,783	(74,028)
State appropriations, capital	4,880	—	—	4,880
Grants and gifts, capital	11,972	16,833	(5,783)	23,022
Additions to permanent endowments	—	6,269	—	6,269
Increase (decrease) in net position	(65,321)	25,464	—	(39,857)
Net position:				
Net position at beginning of year	(780,063)	467,749	—	(312,314)
Net position at end of year	\$ (845,384)	493,213	—	(352,171)

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 199,274
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(116,289)
Payments to employees	(223,605)
Payments for benefits	(116,009)
Payments to students	(19,976)
Collections of student loans	370
Sales and services of educational activities	2,392
Sales and services of auxiliary enterprises	71,429
Other receipts	16,456
Net cash used in operating activities	<u>(185,958)</u>
Cash flows from noncapital financing activities:	
State appropriations	149,024
Federal financial aid grants	19,099
State financial aid grants	22,102
Nongovernmental and other financial aid grants	9,855
Other federal nonoperating grants	1,105
Gifts and grants received for other than capital purposes	14,182
Federal loan program receipts	81,942
Federal loan program disbursements	(81,397)
Monies received on behalf of others	15,313
Monies disbursed on behalf of others	(15,246)
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	4,368
Net cash provided by noncapital financing activities	<u>220,347</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	532
State appropriations	964
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	11,548
Proceeds from sale of capital assets	609
Acquisition of capital assets	(30,986)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(11,742)
Interest paid on capital debt and leases	(28,893)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(57,968)</u>

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 705,946
Purchases of investments	(684,837)
Investment income proceeds	2,467
Net cash provided by investing activities	<u>23,576</u>
Net decrease in cash and cash equivalents	(3)
Cash and cash equivalents at beginning of year	12
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	\$ (303,177)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	44,487
Change in assets and liabilities:	
Accounts receivable, net	2,728
Student loans receivable, net	219
Pledges receivable, net	—
Prepaid expenses and other current assets	(1,282)
Other assets	260
Deferred outflows of resources	97,394
Accounts payable	(5,509)
Accrued salaries and benefits	1,526
Accrued compensated absences	674
Unearned revenues	424
Depository accounts	(4)
Total other postemployment benefits liability	(36,207)
Net pension liability	(64,760)
Other liabilities	(9,331)
Deferred inflows of resources	86,600
Net cash used in operating activities	<u>\$ (185,958)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 19,666
Change in accrued capital asset purchases	10,158
Amortization of net bond premium	3,202
Acquisition of capital assets through capital lease	704
Amortization of loss on debt refundings	678
Contributed capital assets	424
Capital assets paid by the Office of the Chancellor	67

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 9,756
Payments from discretely presented component units for other than salaries	14,969
Payments to discretely presented component units for services, space, and programs	5,623
Gifts in kind from discretely presented component units	238
Gifts (cash or assets) from discretely presented component units	32,485
Accounts receivable from discretely presented component units	776
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(381)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	294
Payments to the Office of the Chancellor for state pro rata charges	134
Accounts receivable from the Office of the Chancellor	37
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	1,717
Other interagency payments or receipts for services, space, and programs	(86)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 1,158	4,358	5,516
Short-term investments	52,580	15,298	67,878
Accounts receivable, net	5,459	15,101	20,560
Capital lease receivable, current portion	865	—	865
Notes receivable, current portion	28	—	28
Pledges receivable, net	—	1,768	1,768
Prepaid expenses and other current assets	12,881	810	13,691
Total current assets	<u>72,971</u>	<u>37,335</u>	<u>110,306</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	184	184
Accounts receivable, net	1,671	—	1,671
Capital lease receivable, net of current portion	15,760	—	15,760
Notes receivable, net of current portion	150	—	150
Student loans receivable, net	305	50	355
Pledges receivable, net	—	2,891	2,891
Endowment investments	—	26,289	26,289
Other long-term investments	17,707	10,110	27,817
Capital assets, net	217,460	89,350	306,810
Other assets	51	60	111
Total noncurrent assets	<u>253,104</u>	<u>128,934</u>	<u>382,038</u>
Total assets	<u>326,075</u>	<u>166,269</u>	<u>492,344</u>
Deferred Outflows of Resources			
Deferred outflows of resources	79,605	—	79,605
Liabilities			
Current liabilities:			
Accounts payable	5,390	11,372	16,762
Accrued salaries and benefits	13,148	376	13,524
Accrued compensated absences, current portion	4,366	571	4,937
Unearned revenues	7,988	1,540	9,528
Capital lease obligations, current portion	586	1,005	1,591
Long-term debt obligations, current portion	3,040	878	3,918
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	877	—	877
Other liabilities	1,520	119	1,639
Total current liabilities	<u>36,915</u>	<u>15,861</u>	<u>52,776</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,503	—	2,503
Unearned revenues	—	12,040	12,040
Grants refundable	205	—	205
Capital lease obligations, net of current portion	2,167	16,801	18,968
Long-term debt obligations, net of current portion	96,854	62,602	159,456
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	314,088	1,538	315,626
Net pension liability	236,683	—	236,683
Other liabilities	9,834	—	9,834
Total noncurrent liabilities	<u>662,334</u>	<u>92,981</u>	<u>755,315</u>
Total liabilities	<u>699,249</u>	<u>108,842</u>	<u>808,091</u>
Deferred Inflows of Resources			
Deferred inflows of resources	71,080	171	71,251
Net Position			
Net position:			
Net investment in capital assets	133,469	4,063	137,532
Restricted for:			
Nonexpendable – endowments	—	21,747	21,747
Expendable:			
Scholarships and fellowships	—	3,237	3,237
Research	—	—	—
Loans	183	—	183
Capital projects	1,507	35	1,542
Debt service	17	—	17
Others	—	5,263	5,263
Unrestricted	(499,825)	22,911	(476,914)
Total net position	<u>\$ (364,649)</u>	<u>57,256</u>	<u>(307,393)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$61,988)	\$ 80,679	2,201	—	82,880
Grants and contracts, noncapital:				
Federal	—	13,601	—	13,601
State	—	1,487	—	1,487
Local	—	102	—	102
Nongovernmental	—	465	—	465
Sales and services of educational activities	119	3,587	—	3,706
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	8,212	8,168	—	16,380
Other operating revenues	6,349	170	—	6,519
Total operating revenues	95,359	29,781	—	125,140
Expenses:				
Operating expenses:				
Instruction	128,814	4,958	—	133,772
Research	326	8,978	—	9,304
Public service	452	720	—	1,172
Academic support	36,395	913	—	37,308
Student services	35,667	6,798	(380)	42,085
Institutional support	29,793	1,372	(1,182)	29,983
Operation and maintenance of plant	22,505	—	—	22,505
Student grants and scholarships	24,978	2,264	(1,995)	25,247
Auxiliary enterprise expenses	4,586	4,661	—	9,247
Depreciation and amortization	14,100	1,792	—	15,892
Total operating expenses	297,616	32,456	(3,557)	326,515
Operating loss	(202,257)	(2,675)	3,557	(201,375)
Nonoperating revenues (expenses):				
State appropriations, noncapital	101,529	—	—	101,529
Federal financial aid grants, noncapital	34,162	—	—	34,162
State financial aid grants, noncapital	27,115	—	—	27,115
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	74	—	—	74
Gifts, noncapital	3,268	7,058	(3,268)	7,058
Investment income, net	2,787	998	—	3,785
Endowment income, net	—	1,068	—	1,068
Interest expense	(4,447)	(684)	—	(5,131)
Other nonoperating revenues (expenses)	(129)	1	—	(128)
Net nonoperating income	164,359	8,441	(3,268)	169,532
Income (loss) before other revenues	(37,898)	5,766	289	(31,843)
State appropriations, capital	1,284	—	—	1,284
Grants and gifts, capital	289	—	(289)	—
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	(36,325)	5,766	—	(30,559)
Net position:				
Net position at beginning of year	(328,324)	51,490	—	(276,834)
Net position at end of year	<u>\$ (364,649)</u>	<u>57,256</u>	<u>—</u>	<u>(307,393)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 81,905
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(42,527)
Payments to employees	(114,309)
Payments for benefits	(57,163)
Payments to students	(25,081)
Collections of student loans	63
Sales and services of educational activities	119
Sales and services of auxiliary enterprises	7,409
Other receipts	14,373
Net cash used in operating activities	<u>(135,211)</u>
Cash flows from noncapital financing activities:	
State appropriations	92,089
Federal financial aid grants	34,605
State financial aid grants	27,143
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	74
Gifts and grants received for other than capital purposes	3,268
Federal loan program receipts	51,673
Federal loan program disbursements	(51,642)
Monies received on behalf of others	2,311
Monies disbursed on behalf of others	(2,261)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(820)
Interest paid on long-term debt	(852)
Issuance of notes receivable	—
Principal collections on capital leases	820
Interest collections on capital leases	852
Principal collections on notes receivable	20
Interest collections on notes receivable	12
Other noncapital financing activities	(244)
Net cash provided by noncapital financing activities	<u>157,048</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	375
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	97
Acquisition of capital assets	(2,732)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,120)
Interest paid on capital debt and leases	(3,893)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(9,273)</u>

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 405,937
Purchases of investments	(418,477)
Investment income proceeds	1,126
Net cash used in investing activities	<u>(11,414)</u>
Net increase in cash and cash equivalents	1,150
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 1,158</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,158
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 1,158</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (202,257)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,100
Change in assets and liabilities:	
Accounts receivable, net	(883)
Student loans receivable, net	(40)
Pledges receivable, net	—
Prepaid expenses and other current assets	(2,469)
Other assets	(40)
Deferred outflows of resources	54,810
Accounts payable	3,026
Accrued salaries and benefits	714
Accrued compensated absences	123
Unearned revenues	503
Depository accounts	—
Total other postemployment benefits liability	(8,164)
Net pension liability	(35,877)
Other liabilities	5,649
Deferred inflows of resources	35,594
Net cash used in operating activities	<u>\$ (135,211)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 9,440
Amortization of net bond premium	456
Contributed capital assets	289
Change in accrued capital asset purchases	267
Amortization of loss on debt refundings	197
Capital assets paid by the Office of the Chancellor	86

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,226
Payments from discretely presented component units for other than salaries	2,733
Payments to discretely presented component units for services, space, and programs	4,311
Gifts in kind from discretely presented component units	53
Gifts (cash or assets) from discretely presented component units	3,473
Accounts receivable from discretely presented component units	2,039
Other amounts receivable from discretely presented component units	178
Accounts payable to discretely presented component units	(286)
Other amounts payable to discretely presented component units	(9,533)
Payments to the Office of the Chancellor for administrative activities	175
Payments to the Office of the Chancellor for state pro rata charges	147
Accounts receivable from the Office of the Chancellor	175
Accounts payable to the Office of the Chancellor	(3,250)
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	1,169
Other interagency payments or receipts for services, space, and programs	(63)

See accompanying independent auditors' report.



ONE-THIRD

of undergraduates are
the first in their families
to attend college



SACRAMENTO
STATE



SONOMA STATE UNIVERSITY

Statement of Net Position

June 30, 2019

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 62	2,260	2,322
Short-term investments	96,258	7,293	103,551
Accounts receivable, net	5,147	797	5,944
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	895	895
Prepaid expenses and other current assets	978	196	1,174
Total current assets	<u>102,445</u>	<u>11,441</u>	<u>113,886</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	522	522
Accounts receivable, net	621	—	621
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,120	—	1,120
Pledges receivable, net	—	820	820
Endowment investments	—	38,557	38,557
Other long-term investments	8,010	12,221	20,231
Capital assets, net	378,577	2,304	380,881
Other assets	—	1,073	1,073
Total noncurrent assets	<u>388,328</u>	<u>55,497</u>	<u>443,825</u>
Total assets	<u>490,773</u>	<u>66,938</u>	<u>557,711</u>
Deferred Outflows of Resources			
Deferred outflows of resources	62,272	—	62,272
Liabilities			
Current liabilities:			
Accounts payable	6,530	1,055	7,585
Accrued salaries and benefits	9,316	15	9,331
Accrued compensated absences, current portion	3,903	15	3,918
Unearned revenues	11,721	364	12,085
Capital lease obligations, current portion	128	—	128
Long-term debt obligations, current portion	13,115	—	13,115
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,429	320	1,749
Total current liabilities	<u>46,142</u>	<u>1,769</u>	<u>47,911</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,331	11	2,342
Unearned revenues	—	—	—
Grants refundable	1,342	—	1,342
Capital lease obligations, net of current portion	228	—	228
Long-term debt obligations, net of current portion	209,040	—	209,040
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	301	—	301
Total other postemployment benefits liability	365,935	—	365,935
Net pension liability	197,379	—	197,379
Other liabilities	—	—	—
Total noncurrent liabilities	<u>776,556</u>	<u>11</u>	<u>776,567</u>
Total liabilities	<u>822,698</u>	<u>1,780</u>	<u>824,478</u>
Deferred Inflows of Resources			
Deferred inflows of resources	79,755	—	79,755
Net Position			
Net position:			
Net investment in capital assets	161,276	2,304	163,580
Restricted for:			
Nonexpendable – endowments	—	40,071	40,071
Expendable:			
Scholarships and fellowships	1,370	900	2,270
Research	—	—	—
Loans	145	—	145
Capital projects	1,899	—	1,899
Debt service	34	—	34
Others	5,628	7,486	13,114
Unrestricted	(519,760)	14,397	(505,363)
Total net position	<u>\$ (349,408)</u>	<u>65,158</u>	<u>(284,250)</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$26,280)	\$ 50,040	2,178	—	52,218
Grants and contracts, noncapital:				
Federal	7,595	81	—	7,676
State	1,187	186	—	1,373
Local	158	—	—	158
Nongovernmental	1,132	—	—	1,132
Sales and services of educational activities	336	8	—	344
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,185)	28,084	11,875	—	39,959
Other operating revenues	16,814	609	—	17,423
Total operating revenues	<u>105,346</u>	<u>14,937</u>	<u>—</u>	<u>120,283</u>
Expenses:				
Operating expenses:				
Instruction	78,854	—	—	78,854
Research	1,853	—	—	1,853
Public service	20,466	—	—	20,466
Academic support	25,282	—	—	25,282
Student services	25,690	2,014	—	27,704
Institutional support	20,127	212	—	20,339
Operation and maintenance of plant	12,652	—	—	12,652
Student grants and scholarships	10,095	—	—	10,095
Auxiliary enterprise expenses	28,849	11,420	—	40,269
Depreciation and amortization	17,976	79	—	18,055
Total operating expenses	<u>241,844</u>	<u>13,725</u>	<u>—</u>	<u>255,569</u>
Operating income (loss)	<u>(136,498)</u>	<u>1,212</u>	<u>—</u>	<u>(135,286)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	93,040	—	—	93,040
Federal financial aid grants, noncapital	15,417	—	—	15,417
State financial aid grants, noncapital	13,586	—	—	13,586
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	5,922	(1,960)	250	4,212
Investment income, net	2,678	125	—	2,803
Endowment income, net	—	1,564	—	1,564
Interest expense	(7,133)	—	—	(7,133)
Other nonoperating revenues (expenses)	8,258	(4)	—	8,254
Net nonoperating income (loss)	<u>131,768</u>	<u>(275)</u>	<u>250</u>	<u>131,743</u>
Income (loss) before other revenues	<u>(4,730)</u>	<u>937</u>	<u>250</u>	<u>(3,543)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,156	1,175	(250)	2,081
Additions to permanent endowments	—	2,063	—	2,063
Increase (decrease) in net position	<u>(3,574)</u>	<u>4,175</u>	<u>—</u>	<u>601</u>
Net position:				
Net position at beginning of year	<u>(345,834)</u>	<u>60,983</u>	<u>—</u>	<u>(284,851)</u>
Net position at end of year	<u>\$ (349,408)</u>	<u>65,158</u>	<u>—</u>	<u>(284,250)</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 48,754
Federal grants and contracts	7,514
State grants and contracts	936
Local grants and contracts	171
Nongovernmental grants and contracts	873
Payments to suppliers	(47,744)
Payments to employees	(91,467)
Payments for benefits	(47,312)
Payments to students	(10,105)
Collections of student loans	—
Sales and services of educational activities	305
Sales and services of auxiliary enterprises	28,273
Other receipts	17,166
	<u>(92,636)</u>
Cash flows from noncapital financing activities:	
State appropriations	84,928
Federal financial aid grants	15,440
State financial aid grants	13,586
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	5,922
Federal loan program receipts	37,217
Federal loan program disbursements	(37,057)
Monies received on behalf of others	16
Monies disbursed on behalf of others	(5)
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	4,335
	<u>124,382</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	36,796
State appropriations	112
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	650
Proceeds from sale of capital assets	297
Acquisition of capital assets	(55,500)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(6,327)
Interest paid on capital debt and leases	(8,261)
Principal collection on capital leases	—
Interest collection on capital leases	—
	<u>(32,233)</u>

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 327,796
Purchases of investments	(328,279)
Investment income proceeds	1,018
Net cash provided by investing activities	<u>535</u>
Net increase in cash and cash equivalents	48
Cash and cash equivalents at beginning of year	14
Cash and cash equivalents at end of year	<u>\$ 62</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 62
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 62</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (136,498)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,976
Change in assets and liabilities:	
Accounts receivable, net	(925)
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other current assets	(168)
Other assets	—
Deferred outflows of resources	39,770
Accounts payable	2,640
Accrued salaries and benefits	92
Accrued compensated absences	126
Unearned revenues	(227)
Depository accounts	—
Total other postemployment benefits liability	(22,835)
Net pension liability	(30,356)
Other liabilities	(136)
Deferred inflows of resources	37,905
Net cash used in operating activities	<u>\$ (92,636)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 8,113
Change in accrued capital asset purchases	1,373
Amortization of net bond premium	1,193
Capital assets paid by the Office of the Chancellor	923
Contributed capital assets	506
Amortization of loss on debt refundings	307

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,686
Payments from discretely presented component units for other than salaries	4,585
Payments to discretely presented component units for services, space, and programs	13,920
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,721
Accounts receivable from discretely presented component units	925
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(669)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	182
Payments to the Office of the Chancellor for state pro rata charges	110
Accounts receivable from the Office of the Chancellor	113
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	30
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	893
Other interagency payments or receipts for services, space, and programs	(1,030)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position
Year ended June 30, 2019
(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ —	1,592	1,592
Short-term investments	89,228	3,168	92,396
Accounts receivable, net	4,853	980	5,833
Capital lease receivable, current portion	110	—	110
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,077	2,077
Prepaid expenses and other current assets	894	16	910
Total current assets	<u>95,085</u>	<u>7,833</u>	<u>102,918</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	446	446
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	3,590	—	3,590
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	908	—	908
Pledges receivable, net	—	2,031	2,031
Endowment investments	—	15,217	15,217
Other long-term investments	37,070	4,109	41,179
Capital assets, net	141,465	6,171	147,636
Other assets	195	339	534
Total noncurrent assets	<u>183,228</u>	<u>28,313</u>	<u>211,541</u>
Total assets	<u>278,313</u>	<u>36,146</u>	<u>314,459</u>
Deferred Outflows of Resources			
Deferred outflows of resources	58,133	—	58,133
Liabilities			
Current liabilities:			
Accounts payable	2,326	242	2,568
Accrued salaries and benefits	10,598	22	10,620
Accrued compensated absences, current portion	2,545	40	2,585
Unearned revenues	9,968	578	10,546
Capital lease obligations, current portion	61	110	171
Long-term debt obligations, current portion	1,015	280	1,295
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	456	66	522
Other liabilities	1,917	47	1,964
Total current liabilities	<u>28,886</u>	<u>1,385</u>	<u>30,271</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,787	—	2,787
Unearned revenues	—	—	—
Grants refundable	788	—	788
Capital lease obligations, net of current portion	229	3,590	3,819
Long-term debt obligations, net of current portion	82,647	1,035	83,682
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	280,745	1,690	282,435
Net pension liability	166,884	1,641	168,525
Other liabilities	—	—	—
Total noncurrent liabilities	<u>534,080</u>	<u>7,956</u>	<u>542,036</u>
Total liabilities	<u>562,966</u>	<u>9,341</u>	<u>572,307</u>
Deferred Inflows of Resources			
Deferred inflows of resources	61,808	—	61,808
Net Position			
Net position:			
Net investment in capital assets	95,829	1,156	96,985
Restricted for:			
Nonexpendable – endowments	—	9,572	9,572
Expendable:			
Scholarships and fellowships	—	5,758	5,758
Research	—	—	—
Loans	602	—	602
Capital projects	149	—	149
Debt service	2,254	—	2,254
Others	162	6,697	6,859
Unrestricted	(387,324)	3,622	(383,702)
Total net position	<u>\$ (288,328)</u>	<u>26,805</u>	<u>(261,523)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$41,374)	\$ 44,631	2,146	(896)	45,881
Grants and contracts, noncapital:				
Federal	4,670	—	—	4,670
State	543	—	—	543
Local	832	—	—	832
Nongovernmental	825	—	—	825
Sales and services of educational activities	262	178	—	440
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,987)	5,101	1,266	—	6,367
Other operating revenues	3,943	430	(788)	3,585
Total operating revenues	<u>60,807</u>	<u>4,020</u>	<u>(1,684)</u>	<u>63,143</u>
Expenses:				
Operating expenses:				
Instruction	92,843	120	(227)	92,736
Research	877	—	—	877
Public service	1,036	—	—	1,036
Academic support	17,979	41	(15)	18,005
Student services	23,637	1,901	(622)	24,916
Institutional support	23,275	1,106	(332)	24,049
Operation and maintenance of plant	17,030	180	(13)	17,197
Student grants and scholarships	33,308	819	(819)	33,308
Auxiliary enterprise expenses	9,086	642	(896)	8,832
Depreciation and amortization	7,968	379	—	8,347
Total operating expenses	<u>227,039</u>	<u>5,188</u>	<u>(2,924)</u>	<u>229,303</u>
Operating loss	<u>(166,232)</u>	<u>(1,168)</u>	<u>1,240</u>	<u>(166,160)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	86,156	—	—	86,156
Federal financial aid grants, noncapital	29,394	—	—	29,394
State financial aid grants, noncapital	22,945	—	—	22,945
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	767	—	(819)	(52)
Other federal nonoperating grants, noncapital	—	—	—	—
Gifts, noncapital	685	1,714	(121)	2,278
Investment income, net	3,256	408	—	3,664
Endowment income, net	—	256	—	256
Interest expense	(1,140)	(210)	—	(1,350)
Other nonoperating revenues	8,646	62	(299)	8,409
Net nonoperating income	<u>150,709</u>	<u>2,230</u>	<u>(1,239)</u>	<u>151,700</u>
Income (loss) before other revenues	<u>(15,523)</u>	<u>1,062</u>	<u>1</u>	<u>(14,460)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	51	—	(1)	50
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	<u>(15,472)</u>	<u>1,062</u>	<u>—</u>	<u>(14,410)</u>
Net position:				
Net position at beginning of year	<u>(272,856)</u>	<u>25,743</u>	<u>—</u>	<u>(247,113)</u>
Net position at end of year	<u>\$ (288,328)</u>	<u>26,805</u>	<u>—</u>	<u>(261,523)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 43,603
Federal grants and contracts	3,978
State grants and contracts	589
Local grants and contracts	977
Nongovernmental grants and contracts	869
Payments to suppliers	(34,154)
Payments to employees	(82,891)
Payments for benefits	(40,638)
Payments to students	(33,613)
Collections of student loans	2
Sales and services of educational activities	262
Sales and services of auxiliary enterprises	6,319
Other receipts	3,464
	<u>(131,233)</u>
Cash flows from noncapital financing activities:	
State appropriations	79,374
Federal financial aid grants	29,394
State financial aid grants	22,945
Nongovernmental and other financial aid grants	767
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	685
Federal loan program receipts	29,565
Federal loan program disbursements	(29,463)
Monies received on behalf of others	9,237
Monies disbursed on behalf of others	(9,054)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(105)
Interest paid on long-term debt	(209)
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	8,536
	<u>141,672</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	52,696
State appropriations	6
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	51
Proceeds from sale of capital assets	660
Acquisition of capital assets	(23,115)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(16,811)
Interest paid on capital debt and leases	(3,205)
Principal collection on capital leases	105
Interest collection on capital leases	177
	<u>10,564</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2019

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 276,353
Purchases of investments	(299,231)
Investment income proceeds	1,875
Net cash used in investing activities	(21,003)
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	—
Cash and cash equivalents at end of year	\$ —
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ —
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	\$ —
Reconciliation of operating loss to other receipts:	
Operating loss	\$ (166,232)
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	(93)
Student loans receivable, net	(304)
Pledges receivable, net	—
Prepaid expenses and other current assets	(49)
Other assets	(123)
Deferred outflows of resources	26,314
Accounts payable	(18)
Accrued salaries and benefits	469
Accrued compensated absences	493
Unearned revenues	366
Depository accounts	—
Total other postemployment benefits liability	(14,043)
Net pension liability	(15,908)
Other liabilities	(56)
Deferred inflows of resources	29,983
Net cash used in operating activities	\$ (131,233)
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 6,782
Amortization of net bond premium	490
Change in accrued capital asset purchases	466
Capital assets paid by the Office of the Chancellor	121
Amortization of loss on debt refundings	115

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Transactions with Related Entities

Year ended June 30, 2019

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 93
Payments from discretely presented component units for other than salaries	2,568
Payments to discretely presented component units for services, space, and programs	2,776
Gifts in kind from discretely presented component units	63
Gifts (cash or assets) from discretely presented component units	63
Accounts receivable from discretely presented component units	165
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(287)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	953
Payments to the Office of the Chancellor for state pro rata charges	44
Accounts receivable from the Office of the Chancellor	192
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	17
Accounts payable to campuses other than the Office of the Chancellor	(170)
State lottery allocation received	1,051
Other interagency payments or receipts for services, space, and programs	46

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