



CHICO STATE



CSU NORTHRIDGE



SONOMA STATE



CSU SAN BERNARDINO



CAL POLY POMONA



CSU FULLERTON



CSU MONTEREY BAY



SAN FRANCISCO STATE



CAL STATE EAST BAY



CSU BAKERSFIELD

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LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



The global public health crisis and economic distress of the year 2020 brought unique challenges that we continue to endure as a university, state and nation. Our students, faculty, staff and leaders have risen to meet those challenges through inspired resilience, innovation and flexibility.

Under the bold leadership of recently retired Chancellor Timothy P. White, the CSU took action when the scope and scale of the COVID-19 pandemic became apparent. More than 80,000 classes across our 23 campuses were transitioned to virtual delivery, ensuring the health and safety of students, faculty, staff and the communities we serve, while maintaining our students' progress to degree and providing a full range of support services online. Sixty percent of our total teaching force took part in a quarter million hours of professional development programming to ensure robust, engaging and equitable virtual instruction.

With 475,000 students, 53,000 faculty and staff, and 3.8 million alumni, the California State University is the largest and most diverse four-year public university in the United States. The CSU is also one of the nation's most powerful drivers of social mobility, serving as California's greatest producer of bachelor's degrees and a vital economic engine for our state.

Our continued investment in student success is paying great dividends. Despite a season of upheaval, we celebrated in 2020 the largest graduating class in the history of the CSU. At the same time, we reached historic student-success milestones through Graduation Initiative 2025, the CSU's flagship effort that has led to the highest graduation rates in our university's history – for students from all walks of life. And this past fall, thanks to increased enrollment and record retention, we served our largest student body ever – a testament not only to the high value and demand for a CSU degree, but also to the trust students have in our mission and ability to transform their lives.

The CSU also remains on solid financial footing. Thanks to prudent cost-savings measures and careful financial planning, the CSU enters a multi-year fiscal challenge ready to meet our strategic goals. And we look to continued strong investment by the state – investment that has consistently delivered a strong return by elevating individuals, families and communities, and meeting the state's current and future workforce needs.

Under the leadership of new Chancellor Joseph I. Castro, the CSU will continue unabated our commitment to providing all students the opportunity to earn a high-quality, affordable education, propelling California toward its brightest future.

For California,

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

Steve Relyea
Executive Vice Chancellor, CFO
The California State University

INDEPENDENT AUDITORS' REPORT





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

Independent Auditors' Report

The Board of Trustees
California State University:

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, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements for the year then ended as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 89 of the 91 aggregate discretely presented component units, which represent 95%, 98% and 94%, respectively of the assets, net position and revenues 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 89 discretely presented component units, is based solely on the reports of 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 40 discretely presented component units were not audited in accordance with *Government Auditing Standards*, which represent 32%, 33% and 26%, respectively of the assets, net position and revenues of the aggregate discretely presented component unit totals.

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

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



Opinions

In our opinion, based on our audits and the reports of 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 9-30, 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 total other postemployment benefits liability and related ratios, and employer contributions related to other postemployment benefits in Schedules 3 and 4, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

Schedules 5 and 8 are the responsibility of management and 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 as a whole.

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2021 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Los Angeles, California
March 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(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, 2020, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 91 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

Impact of COVID-19 Global Pandemic

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

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

In addition, the University has received funding through the Higher Education Emergency Relief Fund (HEERF) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted into law in April 2020. This made it possible for the University to offer emergency grants for students experiencing financial hardships directly due to the COVID-19 global pandemic. A portion of the funds are also available to cover costs incurred by the University associated with significant changes to the delivery of instruction due to COVID-19 global pandemic. Further, certain

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

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

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

Financial Statements

The financial statements of the University as of and for the year ended June 30, 2020 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.

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.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

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, 2020

(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 as of June 30, 2020 and 2019:

	University		Discretely presented component units	
	2020	2019	2020	2019
	(In thousands)			
Assets:				
Current assets	\$ 4,249,587	4,076,294	1,678,457	1,585,507
Capital assets, net	10,139,549	9,538,377	871,445	912,577
Other noncurrent assets	2,704,609	2,017,426	2,660,458	2,487,979
Total assets	17,093,745	15,632,097	5,210,360	4,986,063
Deferred outflows of resources	2,984,024	2,456,788	36,209	32,520
Liabilities:				
Current liabilities	1,465,131	1,502,157	525,924	493,517
Noncurrent liabilities	31,227,378	28,279,755	1,076,603	1,034,713
Total liabilities	32,692,509	29,781,912	1,602,527	1,528,230
Deferred inflows of resources	2,452,308	2,888,140	59,506	52,189
Net position:				
Net investment in capital assets	3,566,992	3,438,964	329,264	295,177
Restricted:				
Nonexpendable	1,677	1,693	1,414,654	1,336,916
Expendable	178,610	194,812	1,184,530	1,146,945
Unrestricted	(18,814,327)	(18,216,636)	656,088	659,126
Total net position	\$ (15,067,048)	(14,581,167)	3,584,536	3,438,164

The University's net position decreased by \$485.88 million in 2020. 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 2.81.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

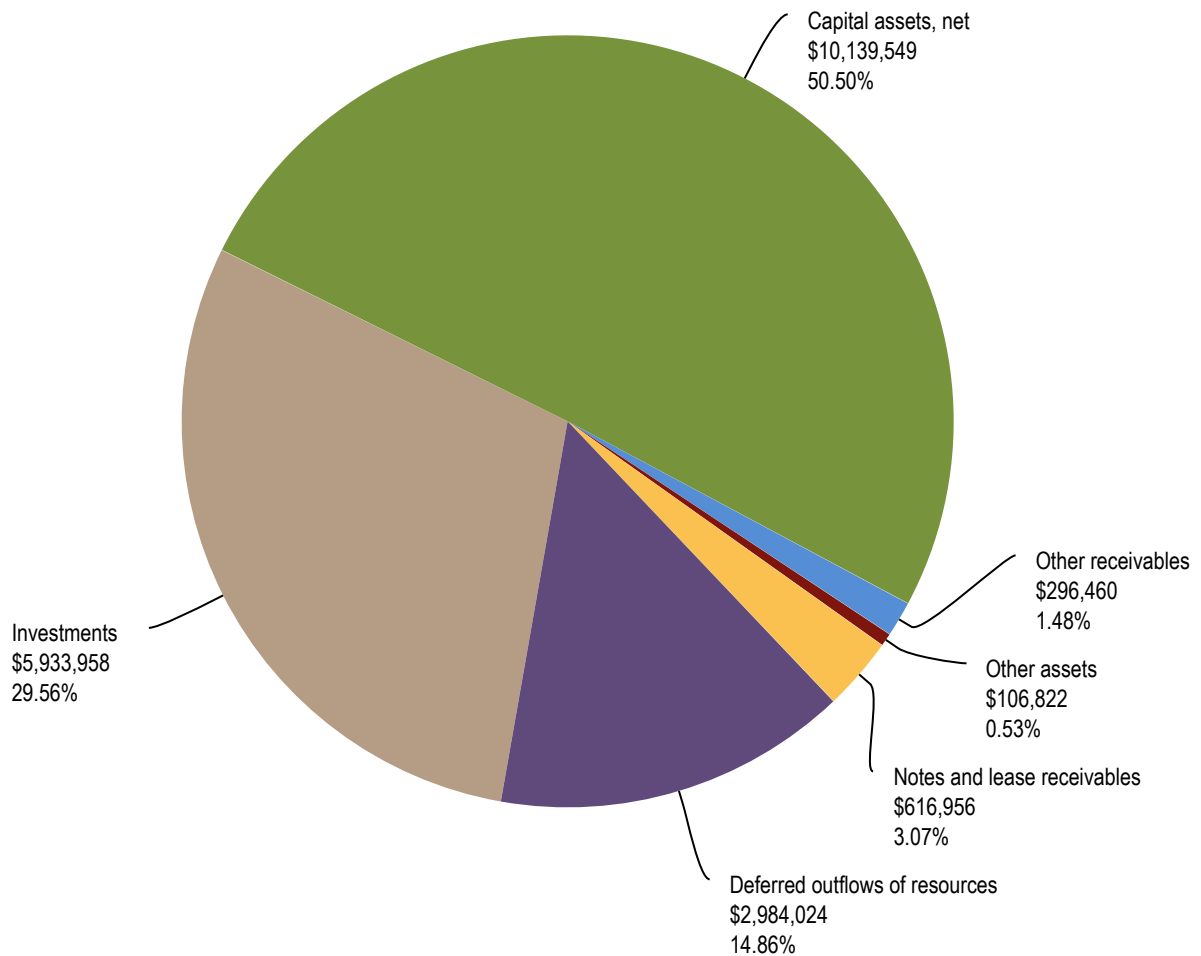
(Unaudited)

The University's Financial Position

Assets and Deferred Outflows of Resources

Total assets increased from \$15.63 billion in 2019 to \$17.09 billion in 2020. Deferred outflows of resources increased from \$2.46 billion in 2019 to \$2.98 billion in 2020.

Assets and Deferred Outflows of Resources
(In thousands)



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

Current and other noncurrent assets of the University are assets that are not capital assets and are used to meet current and noncurrent obligations. These assets consist of cash and cash equivalents, restricted cash and cash equivalents, investments, accounts receivable, notes receivable, capital leases receivable, student loans receivable, pledges receivable, prepaid expenses, and other assets.

Capital Assets, Net

The University's capital assets, net of accumulated depreciation and amortization, represents the largest portion of total assets. The University's net capital assets are as follows as of June 30, 2020 and 2019:

	2020	2019
	(In thousands)	
Land and land improvements	\$ 285,802	281,916
Buildings and building improvements	7,349,654	6,861,632
Improvements other than buildings	209,258	213,164
Infrastructure	669,619	658,566
Equipment	219,464	228,913
Library books and materials	30,964	29,578
Works of art and historical treasures	53,581	50,100
Intangible assets	62,135	57,870
Construction work in progress	1,259,072	1,156,638
Total	\$ 10,139,549	9,538,377

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 2020 included the Chico SSKU II Science Replacement, the Dominguez Hills Student Housing Phase III and Innovation and Instruction Building, the Fullerton Parking Structure Eastside 2, the Long Beach Housing Expansion Phase I, the Los Angeles Student Housing Complex E and Physical Science Building Seismic renewal, the Monterey Bay Student Union, the San Bernardino Santos Manuel Student Union Expansion, the San Diego Land Mission Valley, the San Francisco New Creative Arts Center, the San Jose South Campus Multi-level Parking Structure and Sports Field Facility and Interdisciplinary Science Building, the San Luis Obispo Science and Research Building, and the Stanislaus Union Renovation and Expansion.

Investments

The University invests its funds mainly in the Liquidity Portfolio (Systemwide Investment Fund Trust or SWIFT), and the Total Return Portfolio (TRP), collectively referred herein as CSU Consolidated Investment Pool. The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the University. The investment objective for TRP is to achieve prudent return within a moderate risk level. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed and invested by the State Treasurer in a short-term pool. The proceeds from the sale of Systemwide Revenue Bonds (SRB) are held by the State and invested in SMIF, as required by state law. The investment balances are as follows as of June 30, 2020 and 2019:

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

	2020	Percentage of total	2019	Percentage of total
	(In thousands)	%	(In thousands)	%
Liquidity Portfolio	\$ 3,398,917	57.28	\$ 3,655,041	72.45
Total Return Portfolio	1,110,236	18.71	559,192	11.08
State's Surplus Money Investment Fund	1,424,805	24.01	830,721	16.47
Total	<u>\$ 5,933,958</u>	<u>100.00</u>	<u>\$ 5,044,954</u>	<u>100.00</u>

Investments increased from \$5.04 billion in 2019 to \$5.93 billion in 2020. Investments increased due to proceeds from issuance of SRB Series 2020A/B, 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 decreased from \$400.38 million in 2019 to \$385.19 million in 2020. The decrease of \$15.19 million is due mainly to current year net collection of \$12.97 million, and refunding of existing loan agreements from \$56.45 million to \$54.23 million.

Deferred Outflows of Resources

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

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

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

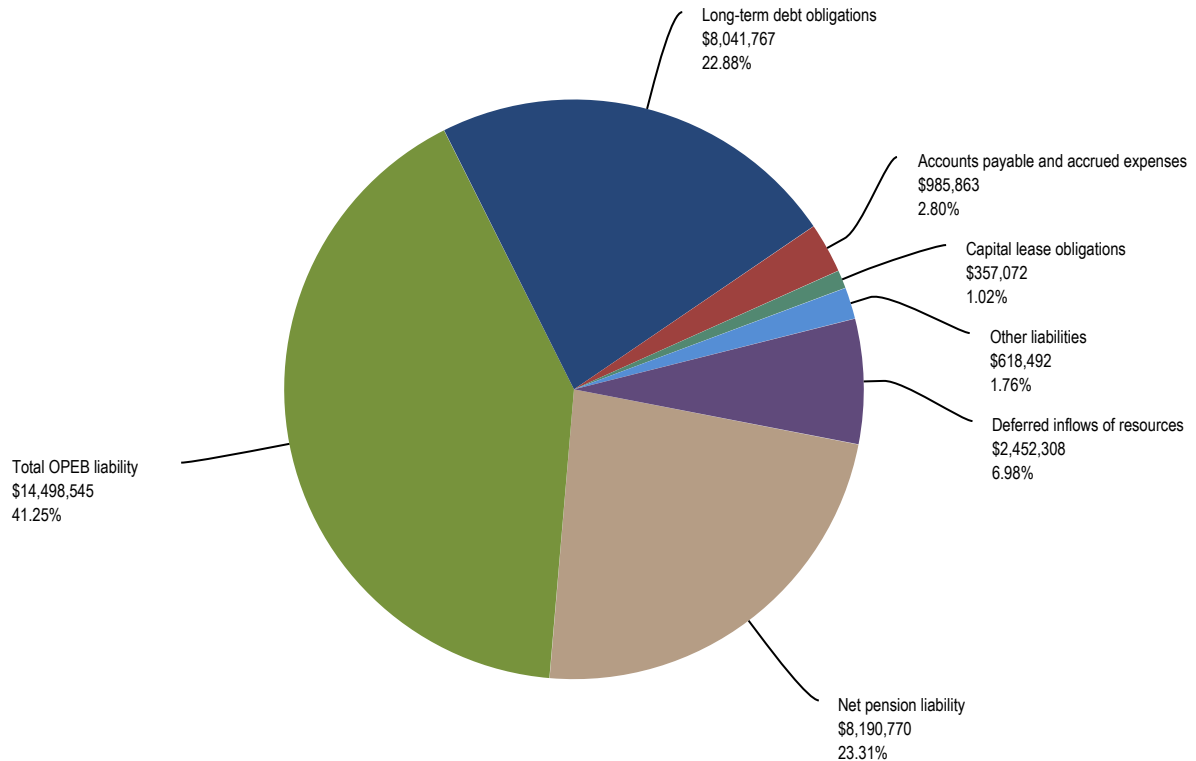
- *Loss on Debt Refunding* - The defeasance of previously outstanding systemwide revenue bonds results in deferring refunding losses. These deferred losses are recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows of resources increased by \$527.23 million from \$2.46 billion in 2019 to \$2.98 billion in 2020. This is mainly due to the increase in deferred outflows of \$751.69 million related to changes in assumptions in determining total OPEB liability. In addition, the deferred outflows related to net pension liability increased by \$328.89 million primarily due to the effect of the difference between expected and actual experience in determining the net pension liability. The employer contributions for OPEB and pension liabilities subsequent to measurement date had a net increase of \$42.13 million and \$82.53 million, respectively. In addition, there was an amortization of \$678 million for deferred outflows of resources related to total OPEB liability, net pension liability and loss on debt refunding.

Liabilities and Deferred Inflows of Resources

Total liabilities of \$32.69 billion represent an increase of \$2.91 billion compared to \$29.78 billion in 2019. Deferred inflows of resources decreased from \$2.89 billion in 2019 to \$2.45 billion in 2020.

Liabilities and Deferred Inflows of Resources
(In thousands)



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

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

Total OPEB Liability

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

The total OPEB liability increased from \$13.13 billion as of June 30, 2019 to \$14.50 billion as of June 30, 2020. The key factors contributing to this increase include (a) change in the demographic experience wherein more members are retiring, retiring earlier, and living longer than assumed, (b) update on healthcare related assumptions based on the 2014-2018 Experience Review, and (c) lower discount rate from 3.62% to 3.13%. This is offset by (a) favorable healthcare claims experience as average member claim costs were lower than assumed, and (b) change in trend rates.

Net Pension Liability

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

The pension liability increased from \$7.73 billion in 2019 to \$8.19 billion in 2020. The \$0.46 billion increase is due mainly to \$2.85 billion additional pension liability which included the impact of service costs, interest and unfavorable experience compared to the expected. The contributions both the by University and its employees of \$1.15 billion and net return on investment of \$1.24 billion reduced the net pension liability in 2020.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

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 \$1.09 billion in 2020. The University's long-term debt obligations are summarized as follows as of June 30, 2020 and 2019:

	2020	2019
	(In thousands)	
Systemwide revenue bonds	\$ 7,218,305	6,211,333
Bond anticipation notes	129,119	109,659
Other long-term debt obligations	9,012	10,046
Total	7,356,436	6,331,038
Unamortized net bond premium	685,331	620,431
Total long-term debt obligations	8,041,767	6,951,469
Less current portion	(171,661)	(171,813)
Long-term debt obligations, net of current portion	<u>\$ 7,870,106</u>	<u>6,779,656</u>

- *Systemwide Revenue Bonds*

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

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

The long-term debt obligations related to SRB increased by \$1.01 billion due to issuance of Series 2019 A/B and 2020 A/B with proceeds amounting to \$1.43 billion offset by \$0.42 billion of combined payments and refunding of SRB Series 2010A and 2011A.

- *Bond Anticipation Notes*

BANs are used as short-term financing to acquire and construct capital assets. The BAN payable increased by \$19.46 million from a prior year's ending balance of \$109.66 million, based on additional BANs amounting to \$227.92 million, offset by redemption of \$208.46 million using proceeds from sale of SRB Series 2019 A/B, Series 2020 B and campus revenue.

CALIFORNIA STATE UNIVERSITY
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(Unaudited)

- *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 \$2.14 billion in 2019 to \$2.05 billion in 2020. As a result of the enactment of Education Code Section 89770, the University's share continues to decrease as bonds are paid by the State with no new debt issued for capital facilities.

Deferred Inflows of Resources

Deferred inflows of resources decreased by \$0.44 billion from \$2.89 billion in 2019 to \$2.45 billion in 2020. Deferred inflows of resources are mainly related to certain changes in net pension liability and total OPEB liabilities. The decrease is mainly due to the amortization of prior year deferred inflows of resources amounting to \$482.72 million, net of \$63.80 million additions related to favorable healthcare claims experience as member claims cost is lower than assumed.

In 2020, deferred inflows of resources includes a \$3.82 million unamortized gain on debt refunding of SRB Series 2020 A/B. This deferred gains are recognized as an offset to the interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Net Position

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

Net position by category is as follows as of June 30, 2020 and 2019:

	2020	2019
	(In thousands)	
Net investment in capital assets	\$ 3,566,992	3,438,964
Restricted:		
Nonexpendable	1,677	1,693
Expendable	178,610	194,812
Unrestricted	(18,814,327)	(18,216,636)
Total net position	\$ (15,067,048)	(14,581,167)

- *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 increased from \$3.44 billion in 2019 to \$3.57 billion in 2020.

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- *Restricted*

Restricted net position has constraints on its use that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for specific purposes. Such restrictions are primarily related to endowments, scholarships and fellowships, research, loans, capital projects, and debt service funds. The restricted net position category consists of two subcategories: "Restricted nonexpendable" and "Restricted expendable".

- i. Restricted Nonexpendable

- The restricted nonexpendable net position is made up of the permanent endowment funds, the corpus of which may not be expendable. The University's foundations, which are discretely presented component units, hold the significant majority of the University-related endowments.

- ii. Restricted Expendable

- Restricted expendable net position represents resources that are subject to external restrictions on how they may be used. Such restrictions are primarily related to scholarships and fellowships, research, loans, capital projects, and debt service funds. The restricted expendable net position decreased due to spending for capital outlay projects and 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, 2020, unrestricted net position reflects a deficit of \$18.81 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. These Statements require the University to record its share of the State's actuarially determined liabilities for pension and OPEB. Unrestricted net position decreased \$597.69 million in 2020.

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(Unaudited)

Discretely Presented Component Units' Financial Position

In 2020, the discretely presented component units (DPCUs) managed \$5.21 billion of assets, representing 23.36% of the University's \$22.30 billion combined total assets. In 2019, \$4.99 billion of assets were managed by the discretely presented component units, representing 24.18% of the combined total assets.

The philanthropic activities of the University are managed mostly by the discretely presented component units. The restricted cash and cash equivalents, pledges receivables, and endowment investments increased from \$2 billion in 2019 to \$2.09 billion in 2020. This represents 9.39% and 9.71% of the combined total assets for 2020 and 2019, respectively.

The claims liability for losses and loss adjustment expenses decreased from of \$60.45 million in 2019 to \$53.98 million in 2020. 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 \$2.60 billion, representing 93.51% of the combined restricted net position in 2020. In 2019, the restricted net position of discretely presented component units was \$2.48 billion, representing 92.67% of the combined restricted net position.

The combined University and discretely presented component units' net position reflects a deficit of \$11.48 billion in 2020 when compared to \$11.14 billion deficit in 2019.

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(Unaudited)

Results of Operations

The Statement of Revenues, Expenses and Changes in Net Position represents the University's and its discretely presented component units' result of operations. Major components are operating revenues, operating expenses, and nonoperating revenues (expenses). A condensed comparative presentation of the results of operations follows for the years ended June 30, 2020 and 2019:

	University		Discretely presented component units	
	2020	2019	2020	2019
	(In thousands)			
Operating revenues:				
Student tuition and fees, net	\$ 2,175,170	2,197,925	196,983	191,565
Grants and contracts, noncapital	70,304	79,131	586,416	596,454
Sales and services of educational activities	39,923	47,655	43,650	47,906
Sales and services of auxiliary enterprises, net	455,639	560,234	439,576	498,896
Other operating revenues	247,890	254,648	264,676	256,013
Total operating revenues	2,988,926	3,139,593	1,531,301	1,590,834
Operating expenses	10,460,792	9,683,523	1,743,663	1,784,670
Operating loss	(7,471,866)	(6,543,930)	(212,362)	(193,836)
Nonoperating revenues (expenses):				
State appropriations, noncapital	4,734,349	4,102,570	—	—
Financial aid grants, noncapital	2,060,158	1,980,562	3,100	2,746
Grants and gifts, noncapital	304,741	59,029	178,295	189,943
Investment income, net	173,420	204,813	39,953	66,692
Endowment income, net	35	20	38,684	59,479
Interest expense	(275,191)	(259,621)	(20,301)	(23,033)
Other nonoperating revenues (expenses)	(80,124)	(45,449)	3,753	(7,667)
Net nonoperating revenues	6,917,388	6,041,924	243,484	288,160
Income (loss) before other revenues (expenses)	(554,478)	(502,006)	31,122	94,324
State appropriations, capital	5,236	34,972	—	—
Grants and gifts, capital	63,361	60,141	8,447	31,413
Additions to permanent endowments	—	—	106,803	100,239
Change in net position	(485,881)	(406,893)	146,372	225,976
Net position – beginning of year	(14,581,167)	(14,174,274)	3,438,164	3,212,188
Net position – end of year	\$ (15,067,048)	(14,581,167)	3,584,536	3,438,164

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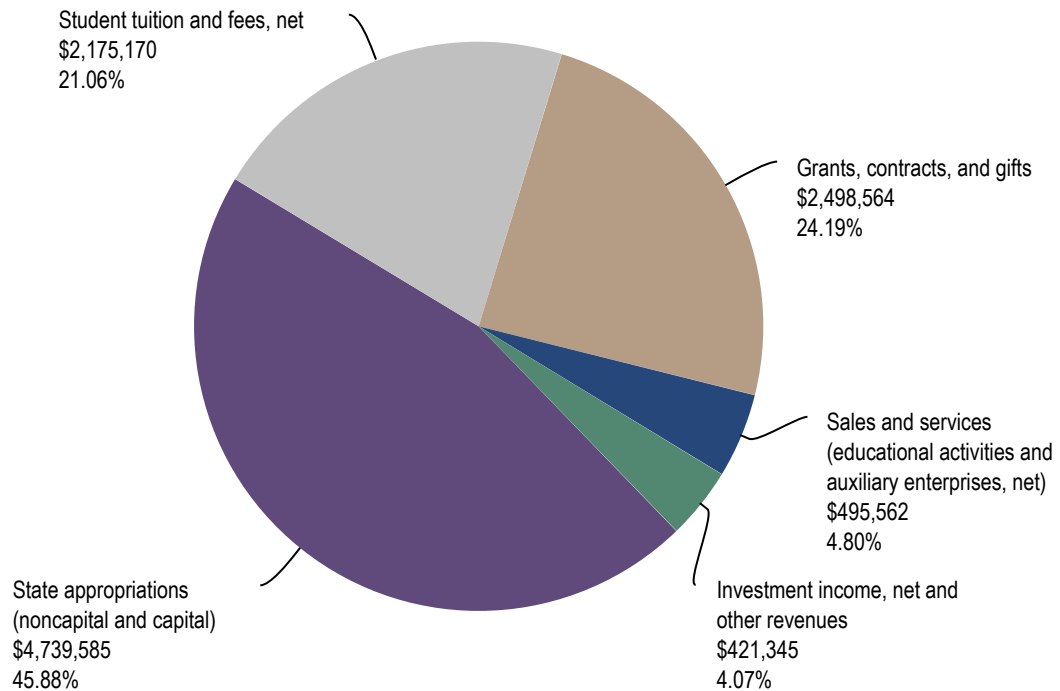
June 30, 2020

(Unaudited)

Revenues (Operating and Nonoperating)

The University's two major sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 66.94% and 66.12% of total revenues in 2020 and 2019, respectively. State appropriations are received for both noncapital and capital purposes. Another major source of revenues are grants, contracts, and gifts which represent 24.19% of total revenues in 2020. This includes revenues from student financial aid and funding through the HEERF authorized by the CARES Act enacted into law in April 2020.

Revenues (Operating and Nonoperating)
(In thousands)



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(Unaudited)

The University's total revenues consisted of the following:

	<u>2020</u>	<u>Percentage of total</u>	<u>2019</u>	<u>Percentage of total</u>
	(In thousands)		(In thousands)	
State appropriations (noncapital and capital)	\$ 4,739,585	45.88 %	\$ 4,137,542	43.18 %
Student tuition and fees, net	2,175,170	21.06	2,197,925	22.94
Grants, contracts, and gifts	2,498,564	24.19	2,178,863	22.74
Sales and services (educational activities and auxiliary enterprises), net	495,562	4.80	607,889	6.34
Investment income, net and other revenues	421,345	4.07	459,481	4.80
Total revenues (operating and nonoperating)	<u>\$ 10,330,226</u>	<u>100.00 %</u>	<u>\$ 9,581,700</u>	<u>100.00 %</u>

State Appropriations (Noncapital and Capital)

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

	<u>2020</u>	<u>2019</u>
	(In thousands)	
State appropriations, general fund	\$ 4,346,139	3,776,457
State's contribution on behalf of the University for OPEB	388,210	326,113
Total state appropriations, noncapital	<u>4,734,349</u>	<u>4,102,570</u>
State appropriations, capital	5,236	34,972
Total state appropriations (noncapital and capital)	<u>\$ 4,739,585</u>	<u>4,137,542</u>

The state general fund appropriations increased from \$3.78 billion in 2019 to \$4.35 billion in 2020. The increase of \$0.57 billion was to augment funding for the graduation initiative 2025, enrollment growth support, employee compensation, mandatory cost increases, deferred maintenance and other miscellaneous support.

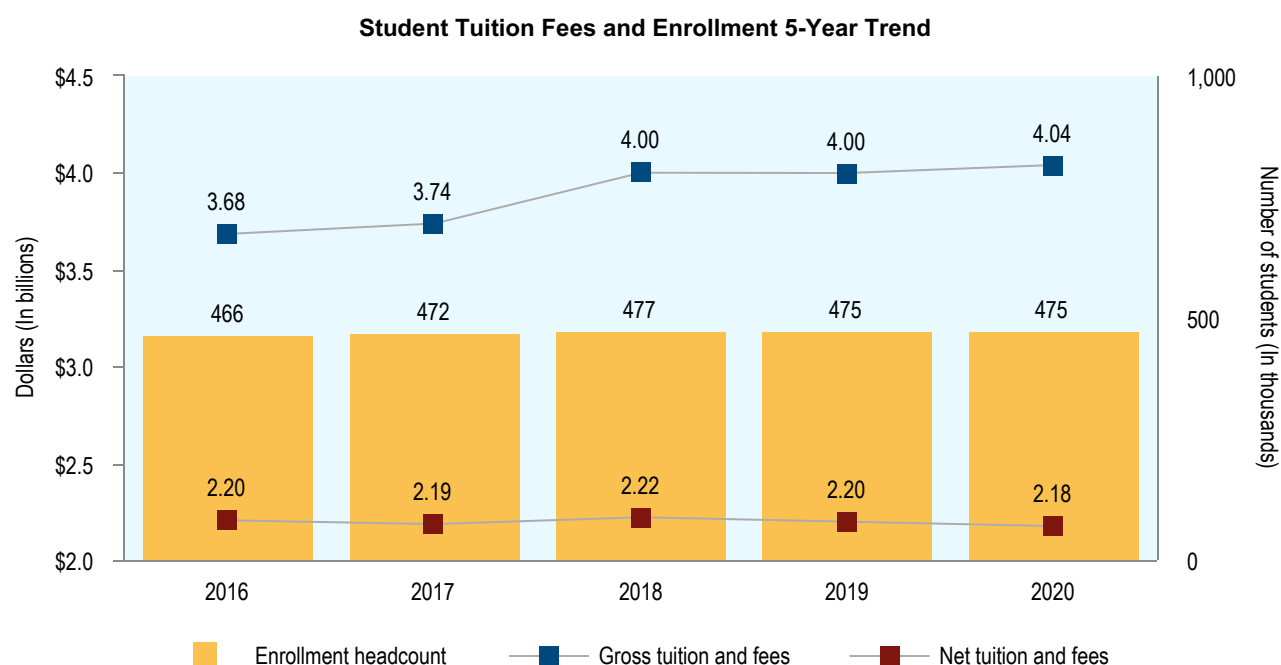
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Student Tuition and Fees, Net

The student tuition and fees (before scholarship allowances) remained consistent with prior year at \$4.04 billion. The following chart displays the five-year trend between enrollment headcount and student tuition and fees:



The gross student tuition fees revenue reflects an increasing trend over the last five years. This is mainly driven by student enrollment growth in the last five years. In addition to student enrollment growth, the increase in tuition rates effective in academic year 2017-2018 resulted in the upward trend in 2018.

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

	2020	2019
	(In thousands)	
Gross student tuition and fees	\$ 4,040,242	3,998,779
Less: Institutional grants	(786,717)	(802,370)
Less: Financial aid grants	(1,078,355)	(998,484)
Net student tuition and fees	<u>\$ 2,175,170</u>	<u>2,197,925</u>

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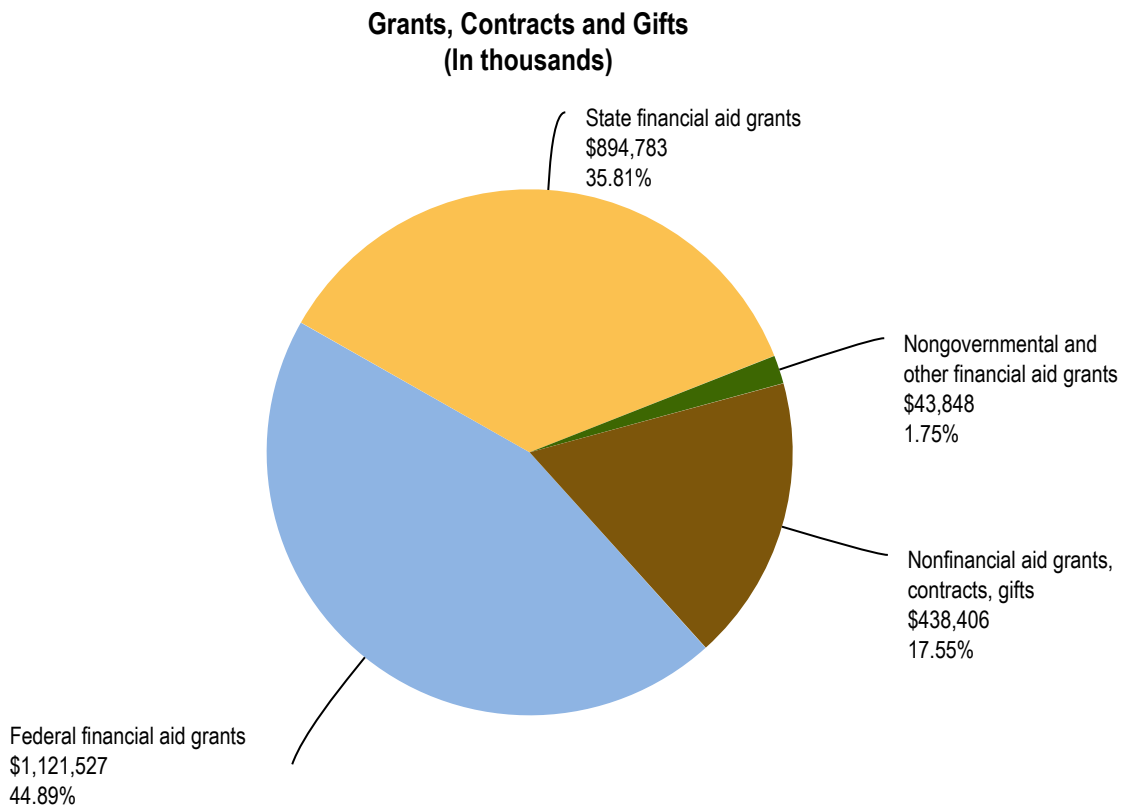
Sales and Services (Educational Activities and Auxiliary Enterprise)

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 \$39.92 million, a decrease from \$47.66 million in 2019.

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 \$455.64 million, which is a \$104.59 million decrease when compared to 2019. The decrease is due to loss of revenue resulting from the University's response to the pandemic by transitioning to primarily virtual instructional approach towards the last quarter of 2020.

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.



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Student financial aid grants from federal and state agencies were \$1.12 billion and \$894.78 million, respectively. A combined increase of \$0.08 billion from previous year. The financial aid increases are due to more eligible students and higher aid per student.

The remainder of the grants, contracts and gifts include non-financial aid grants, contracts, changes to permanent endowments, and gifts (capital and noncapital), which amounted to \$438.41 million, or 17.55%, of total grants, contracts, and gifts. This included \$245.05 million of HEERF grants mainly used for emergency aid to students, including but not limited to grants for food, housing, course materials, technology, health care, and childcare. Further, gifts received from discretely presented component units amounted to \$70.19 million.

Investment and Endowment Income, Net

Investment and endowment income for 2020 is \$173.46 million, which is \$31.38 million lower when compared to the prior year. This is primarily due to lower earnings for TRP investments.

Expenses (Operating and Nonoperating)

The University's total expenses of \$10.82 billion is comprised of operating expenses of \$10.46 billion, or 96.71%, and nonoperating expenses of \$355.31 million, or 3.29%.

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 70.10% and 70.31% of the 2020 and 2019 total operating expenses of the University, respectively.

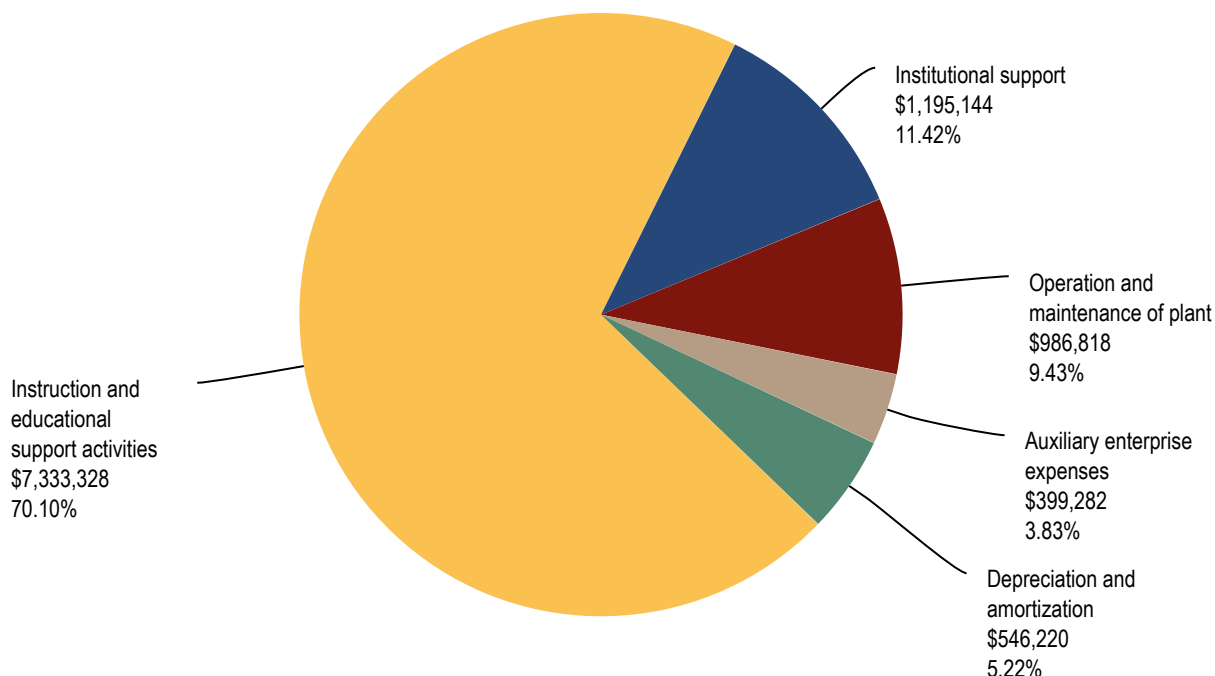
	2020	Percentage of total	2019	Percentage of total
	(In thousands)		(In thousands)	
Instruction	\$ 3,853,279	36.84 %	\$ 3,614,639	37.33 %
Research	57,249	0.55	80,580	0.83
Public service	58,867	0.56	71,870	0.74
Academic support	1,028,607	9.83	1,042,756	10.77
Student services	1,139,403	10.89	1,083,497	11.19
Student grants and scholarships	1,195,923	11.43	915,286	9.45
Total instruction and educational support activities	7,333,328	70.10	6,808,628	70.31
Institutional support	1,195,144	11.42	1,021,045	10.54
Operation and maintenance of plant	986,818	9.43	892,396	9.22
Auxiliary enterprise expenses	399,282	3.83	440,354	4.55
Depreciation and amortization	546,220	5.22	521,100	5.38
Total operating expenses	\$ 10,460,792	100.00 %	\$ 9,683,523	100.00 %

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis

June 30, 2020

(Unaudited)

Operating Expenses
(In thousands)



- *Salaries*

The University's salaries increased from \$3.72 billion in 2019 to \$3.89 billion in 2020. 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 \$130.74 million, in institutional support of \$27.46 million, and in operation and maintenance of plant of \$6.02 million.

- *Benefits*

The University's benefits increased from \$2.91 billion in 2019 to \$3.23 billion in 2020. The majority of the increase in benefits are in instruction and educational support of \$165.10 million. The overall increase was related to changes in pension expenses.

The pension related benefits expense increased by \$287.01 million in 2020 due mainly to additional pension liability which included the impact of service costs, interest, unfavorable experience compared to the expected and lower investment earnings. The other benefits expense increased by \$35.47 million due to increase in benefits rates and employee headcount. The OPEB expense decreased by \$6.95 million in 2020, due mainly to the smoothing effect of the changes in the assumptions and differences between actual and expected experience.

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- *Scholarships and Fellowships*

The scholarship and fellowships, which represent financial aid directly paid to students, increased from \$0.92 billion in 2019 to \$1.20 billion in 2020. The increase is mainly due to the HEERF grants given to eligible students under the CARES Act enacted in April 2020.

Discretely Presented Component Units' Results of Operations

The discretely presented component units managed \$1.91 billion of revenues, representing 15.61% of the University's \$12.24 billion combined total revenues. This is lower compared to the 17.56% in prior year due to decrease in major revenues resulting from the significant changes to the delivery of instruction due to the coronavirus

The discretely presented component units managed \$776.26 million grants contracts, and gifts revenues, representing 23.70% of the \$3.27 billion combined total. Discretely presented component units fund many student co-curricular activities, administer research programs, raise funds, operate student unions, offer recreational programs, coordinate commercial enterprises, and develop public-private partnerships on behalf of the University.

Factors Impacting Future Periods

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

On June 29, 2020, the State of California Budget Act of 2020 was signed. In the final budget for fiscal year 2020-21, the state reduced permanent base funding to the University by \$299 million, and removed \$315 million in one-time funding. The University's operating budget for fiscal year 2020-21 includes General Fund appropriation for operations of \$3.34 billion and for academic facilities and infrastructure of \$340.56 million.

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

Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2020, but prior to the date of the auditors' report.

- The Central Utility Plant Replacement project at California State University, Fresno, procured through a public-private partnership, was approved by the Trustees on January 2021. In February 2021, the Trustees entered into a project agreement with a private development partner, to design, build, finance and maintain the generation and distribution of heating and cooling services throughout the campus, and install ground mounted solar photovoltaic systems. The total project cost is approximately \$170 million and will be funded primarily through financing provided by the private development partner. The private development partner will be compensated through availability payments by the University for capital investment in the project and services relating to maintenance, management and life-cycle component, subject to deductions for performance failures.
- In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 was signed. This new law gives the U.S. Department of Education approximately \$22.7 billion to distribute to institutions of higher education in order to prevent, prepare for, and respond to coronavirus through the HEERF. The University have

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been awarded a total of \$853 million, of which \$262 million are for student financial aid grants and \$591 million for institutional support grants.

- *SRB Issuance*

In September 2020, the University issued \$314.03 million of SRB Series 2020C (Tax Exempt), \$528.58 million of SRB Series 2020D (Taxable) and \$466.01 million of SRB Series 2020E (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund a portion of outstanding SRB Series 2011A and a portion of the SRB Series 2012A bonds.

- *BAN Issuance*

The University issued the BANs for the following capital projects:

	Amount (In thousands)
San Diego State University Mission Valley Real Property Acquisition and Site Development	\$ 88,970
Long Beach Hillside Renovation	31,230
Long Beach Housing Expansion Phase 1 Administration and Commons Building	18,735
San Diego State University Mission Valley Multi-Use Stadium	17,410
Monterey Bay Capital Improvement	11,745
Fresno New Student Union Project (2nd Tranche)	8,461
Total	<u>\$ 176,551</u>

BASIC FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2020

(In thousands)

Assets	University	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 11,317	269,946	281,263
Short-term investments	3,936,203	912,878	4,849,081
Accounts receivable, net	205,891	239,547	445,438
Capital lease receivable, current portion	12,723	6,268	18,991
Notes receivable, current portion	13,363	129,345	142,708
Pledges receivable, net	2,000	86,412	88,412
Prepaid expenses and other current assets	68,090	34,061	102,151
Total current assets	<u>4,249,587</u>	<u>1,678,457</u>	<u>5,928,044</u>
Noncurrent assets:			
Restricted cash and cash equivalents	201	56,075	56,276
Accounts receivable, net	37,786	22,509	60,295
Capital lease receivable, net of current portion	217,728	156,730	374,458
Notes receivable, net of current portion	373,142	19,304	392,446
Student loans receivable, net	50,783	419	51,202
Pledges receivable, net	—	139,524	139,524
Endowment investments	1,677	1,812,599	1,814,276
Other long-term investments	1,996,078	411,656	2,407,734
Capital assets, net	10,139,549	871,445	11,010,994
Other assets	27,214	41,642	68,856
Total noncurrent assets	<u>12,844,158</u>	<u>3,531,903</u>	<u>16,376,061</u>
Total assets	<u>17,093,745</u>	<u>5,210,360</u>	<u>22,304,105</u>
Deferred Outflows of Resources			
Deferred outflows of resources	2,984,024	36,209	3,020,233
Liabilities			
Current liabilities:			
Accounts payable	288,569	113,300	401,869
Accrued salaries and benefits	427,283	29,774	457,057
Accrued compensated absences, current portion	112,812	15,516	128,328
Unearned revenues	285,738	94,989	380,727
Capital lease obligations, current portion	20,897	10,769	31,666
Long-term debt obligations, current portion	171,661	145,126	316,787
Claims liability for losses and loss adjustment expenses, current portion	—	16,416	16,416
Depository accounts	13,201	15,506	28,707
Other liabilities	144,970	84,528	229,498
Total current liabilities	<u>1,465,131</u>	<u>525,924</u>	<u>1,991,055</u>

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2020

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	\$ 157,199	7,013	164,212
Unearned revenues	6,980	59,890	66,870
Grants refundable	48,781	4,242	53,023
Capital lease obligations, net of current portion	336,175	236,004	572,179
Long-term debt obligations, net of current portion	7,870,106	447,080	8,317,186
Claims liability for losses and loss adjustment expenses, net of current portion	—	37,561	37,561
Depository accounts	2,243	23,446	25,689
Total other postemployment benefits liability	14,498,545	119,543	14,618,088
Net pension liability	8,190,770	99,240	8,290,010
Other liabilities	116,579	42,584	159,163
Total noncurrent liabilities	31,227,378	1,076,603	32,303,981
Total liabilities	32,692,509	1,602,527	34,295,036

Deferred Inflows of Resources

Deferred inflows of resources	2,452,308	59,506	2,511,814
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Net Position

Net position:			
Net investment in capital assets	3,566,992	329,264	3,896,256
Restricted for:			
Nonexpendable – endowments	1,677	1,414,654	1,416,331
Expendable:			
Scholarships and fellowships	22,596	250,401	272,997
Research	113	24,950	25,063
Loans	22,881	4,849	27,730
Capital projects	83,879	115,102	198,981
Debt service	28,315	8,294	36,609
Others	20,826	780,934	801,760
Unrestricted	(18,814,327)	656,088	(18,158,239)
Total net position	\$ (15,067,048)	3,584,536	(11,482,512)

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(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 \$1,865,072)	\$ 2,175,170	196,983	(5,210)	2,366,943
Grants and contracts, noncapital:				
Federal	45,255	381,768	(8)	427,015
State	8,267	122,754	(90)	130,931
Local	2,700	20,015	—	22,715
Nongovernmental	14,082	61,879	(440)	75,521
Sales and services of educational activities	39,923	43,650	(211)	83,362
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$106,201)	455,639	439,576	(3,383)	891,832
Other operating revenues	247,890	264,676	(10,285)	502,281
Total operating revenues	<u>2,988,926</u>	<u>1,531,301</u>	<u>(19,627)</u>	<u>4,500,600</u>
Expenses:				
Operating expenses:				
Instruction	3,853,279	124,302	(3,970)	3,973,611
Research	57,249	234,053	(946)	290,356
Public service	58,867	206,183	(235)	264,815
Academic support	1,028,607	102,352	(11,056)	1,119,903
Student services	1,139,403	193,170	(13,775)	1,318,798
Institutional support	1,195,144	247,442	(20,705)	1,421,881
Operation and maintenance of plant	986,818	51,606	(14,476)	1,023,948
Student grants and scholarships	1,195,923	87,380	(34,565)	1,248,738
Auxiliary enterprise expenses	399,282	439,035	(6,642)	831,675
Depreciation and amortization	546,220	58,140	—	604,360
Total operating expenses	<u>10,460,792</u>	<u>1,743,663</u>	<u>(106,370)</u>	<u>12,098,085</u>
Operating loss	<u>(7,471,866)</u>	<u>(212,362)</u>	<u>86,743</u>	<u>(7,597,485)</u>

CALIFORNIA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(in thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	\$ 4,734,349	—	—	4,734,349
Federal financial aid grants, noncapital	1,121,527	833	—	1,122,360
State financial aid grants, noncapital	894,783	1,895	—	896,678
Local financial aid grants, noncapital	—	115	—	115
Nongovernmental and other financial aid grants, noncapital	43,848	257	(30,034)	14,071
Other federal nonoperating grants, noncapital	249,027	111	—	249,138
Gifts, noncapital	55,714	178,184	(40,973)	192,925
Investment income, net	173,420	39,953	—	213,373
Endowment income, net	35	38,684	—	38,719
Interest expense	(275,191)	(20,301)	—	(295,492)
Other nonoperating revenues (expenses)	(80,124)	3,753	13,479	(62,892)
Net nonoperating revenues	<u>6,917,388</u>	<u>243,484</u>	<u>(57,528)</u>	<u>7,103,344</u>
Income (loss) before other revenues	(554,478)	31,122	29,215	(494,141)
State appropriations, capital	5,236	—	—	5,236
Grants and gifts, capital	63,361	8,447	(29,215)	42,593
Additions to permanent endowments	—	106,803	—	106,803
Increase (decrease) in net position	<u>(485,881)</u>	<u>146,372</u>	<u>—</u>	<u>(339,509)</u>
Net position:				
Net position at beginning of year	<u>(14,581,167)</u>	<u>3,438,164</u>	<u>—</u>	<u>(11,143,003)</u>
Net position at end of year	<u>\$ (15,067,048)</u>	<u>3,584,536</u>	<u>—</u>	<u>(11,482,512)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>University</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 2,105,508
Federal grants and contracts	47,640
State grants and contracts	12,075
Local grants and contracts	2,008
Nongovernmental grants and contracts	16,425
Payments to suppliers	(1,611,144)
Payments to employees	(3,857,581)
Payments for benefits	(1,970,764)
Payments to students	(1,196,317)
Collections of student loans	2,853
Sales and services of educational activities	39,771
Sales and services of auxiliary enterprises	435,725
Other receipts	275,594
	<hr/>
Net cash used in operating activities	(5,698,207)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	4,344,361
Federal financial aid grants	1,124,294
State financial aid grants	891,725
Nongovernmental and other financial aid grants	43,833
Other federal nonoperating grants	248,251
Gifts and grants received for other than capital purposes	50,638
Federal loan program receipts	1,401,994
Federal loan program disbursements	(1,409,141)
Monies received on behalf of others	186,672
Monies disbursed on behalf of others	(188,343)
Transfers to escrow agent	(59,052)
Proceeds from long-term debt	59,245
Principal paid on long-term debt	(22,650)
Interest paid on long-term debt	(27,906)
Issuance of notes receivable	(2,544)
Principal collections on capital leases	3,387
Interest collections on capital leases	1,385
Principal collections on notes receivable	13,269
Interest collections on notes receivable	19,794
Other noncapital financing activities	(100,689)
	<hr/>
Net cash provided by noncapital financing activities	6,558,253
	<hr/>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>University</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	\$ 1,713,632
State appropriations	25,476
State appropriations – SPWB Lease Revenue Bond program	207
Capital grants and gifts	44,195
Proceeds from sale of capital assets	35,928
Acquisition of capital assets	(1,051,744)
Transfers to escrow agent	(226,478)
Principal paid on capital debt and leases	(366,987)
Interest paid on capital debt and leases	(314,736)
Principal collection on capital leases	6,376
Interest collection on capital leases	5,371
	<hr/>
Net cash used in capital and related financing activities	(128,760)
Cash flows from investing activities:	
Proceeds from sales of investments	11,090,706
Purchases of investments	(11,954,640)
Investment income proceeds	126,571
	<hr/>
Net cash used in investing activities	(737,363)
Net decrease in cash and cash equivalents	(6,077)
Cash and cash equivalents at beginning of year	17,595
	<hr/>
Cash and cash equivalents at end of year	\$ 11,518
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 11,317
Restricted cash and cash equivalents	201
	<hr/>
Total cash and cash equivalents at end of year	\$ 11,518
	<hr/> <hr/>

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

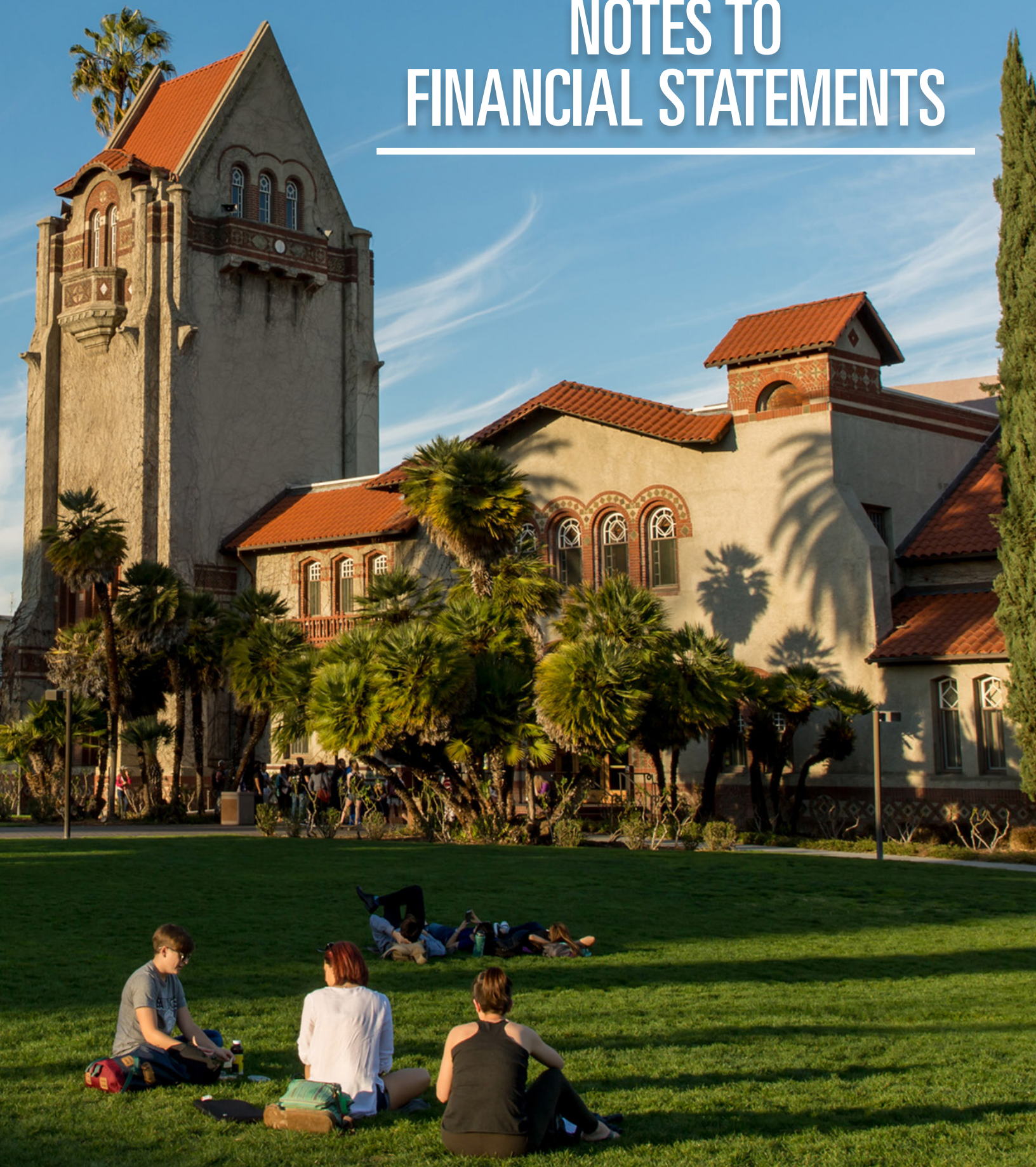
	<u>University</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (7,471,866)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	546,220
Change in assets and liabilities:	
Accounts receivable, net	9,336
Student loans receivable, net	(894)
Prepaid expenses and other current assets	9,827
Other assets	1,379
Deferred outflows of resources	(164,235)
Accounts payable	(17,565)
Accrued salaries and benefits	5,649
Accrued compensated absences	30,050
Unearned revenues	(38,869)
Depository accounts	128
Total other postemployment benefits liability	1,388,592
Other liabilities	(13,821)
Deferred inflows of resources	(439,657)
Net cash used in operating activities	<u>\$ (5,698,207)</u>

Supplemental schedule of noncash transactions:

State's contribution for OPEB	\$ 388,210
Acquisition of capital assets through capital lease	73,804
Other assets paid through long-term debt	54,678
Amortization of net bond premium	35,562
Contributed capital assets	18,726
Change in accrued capital asset purchases	12,365

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(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, 2020:

- 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, 2020

(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 91 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 79.02% of the discretely presented component unit totals, carry out a variety of campus-related activities. Such activities consist primarily of administering grants from governmental and private agencies for research, as well as soliciting and accepting donations, gifts, and bequests for University-related use. Separate financial statements are issued for each of the discretely presented component units and may be obtained from the individual campuses.

The discretely presented component units are as follows:

- California State University, Bakersfield Foundation
- Associated Students, California State University, Bakersfield, Inc.
- California State University, Bakersfield Student-centered Enterprises, Inc. (formerly 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)

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

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

**New in FY 2019/2020*

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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

(b) Basis of Presentation

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

As a public institution, the University is considered a special-purpose government under the provisions of GASB Statements Nos. 34 and 35. The University records revenue in part from fees and other charges for services to external users and, accordingly, has chosen to present financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows all financial information for the University to be reported in a single column in each of the financial statements, accompanied by aggregated financial information for the discretely presented component units, as discussed above. The effects of internal activities between funds or groups of funds have been eliminated from these financial statements.

(c) New Accounting Pronouncements

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

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, effective for the University's fiscal year beginning July 1, 2020. 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, 2021. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The University is evaluating the effect GASB Statement No. 87 will have on its financial statements.

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, effective for the University's fiscal year beginning July 1, 2020. 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.

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

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

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

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

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

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

(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 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.

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

(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 professional and continuing education programs.

(j) Compensated Absences

Compensated absences are recognized, as either current or noncurrent liabilities, when the right to receive the compensation is earned by the employees from vested unpaid vacation and other paid leave programs. Unused sick leave balances are not included in the compensated absences because they do not vest to employees. Vacation is accrued on a monthly basis. The University uses an employee's current pay rate as of July 1, 2020 to calculate the liability for accrued compensated absences. The University provides vacation based on length of service and job classifications.

(k) Grants Refundable

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

Accordingly, the federal contributions received and retained by the University at year-end are considered liabilities of the University and are reflected as such in the accompanying Statement of Net Position.

(l) Claims Liability for Losses and Loss Adjustment Expenses

The claims liability for losses and loss adjustment expenses included in the aggregate discretely presented component units column of the financial statements includes California State University Risk Management Authority's (CSURMA) estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2020. The liability includes the estimated amount that will be required for future payments of claims that

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

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 total OPEB liability are reported as deferred outflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average employees' remaining service lives.

(n) Net Position

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

- Net Investment in Capital Assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources.

- Restricted:

Nonexpendable: Net position subject to externally imposed conditions that the University retains in perpetuity. Net position in this category consists of endowments held by the University or its related discretely presented component units.

Expendable: Net position subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

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- **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's total OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees up to June 30, 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 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.

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(g) 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.

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(v) Use of Estimates

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

(w) Risk and Uncertainties

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

(3) Cash, Cash Equivalents, and Investments

The University's cash, cash equivalents, and investments as of June 30, 2020 are classified in the accompanying Statement of Net Position as follows:

Cash and cash equivalents	\$	11,317
Restricted cash and cash equivalents		201
Total cash and cash equivalents		<u>11,518</u>
Short-term investments		3,936,203
Endowment investments		1,677
Other long-term investments		1,996,078
Total investments		<u>5,933,958</u>
Total cash, cash equivalents, and investments	\$	<u>5,945,476</u>

(a) Cash and Cash Equivalents

At June 30, 2020, cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents of \$11,518 had a corresponding carrying balance with the State Treasury and commercial banks of \$20,402 at June 30, 2020. 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.

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(In thousands)

(b) Investments

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

(i) Investment Policy

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

The University's investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government Code Section 16430, and Education Code Sections 89724 and 89725, subject to certain limitations. In general, the University's investment policy permits investments in obligations of the Federal and California state governments, certificates of deposit, high-quality domestic corporate fixed-income securities, and certain other investment instruments.

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 may not exceed thirty percent of eligible investments thereafter. TRP investments amounted to \$1,110,236 as of June 30, 2020.

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

(ii) Interest Rate Risk

Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The University's investment guidelines for the Liquidity Portfolio manage its interest rate risk by limiting an eligible investment to maximum effective maturity and by limiting the average duration of the portfolio. There are no restrictions on the duration for the investments in the TRP. The effective maturity date reflects a bond with embedded options such as a call, put, or reset date, and prepayment speed resulting in the maturity of a bond being less than the final maturity date. Duration is a measure of the sensitivity of the price of an investment relative to fluctuations in market interest rates. Durations of the University's investment portfolio for each investment type, except for SMIF in which weighted average life is used, as of June 30, 2020 are presented in the following table:

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(In thousands)

Investment type	Fair value	Duration
Money market funds	\$ 188,045	—
Repurchase agreements	19,462	0.00273
Certificates of deposit	128,927	0.18171
U.S. agency securities	676,426	1.63563
U.S. Treasury securities	1,518,103	1.16541
Municipal bonds	2,560	0.90800
Corporate bonds	851,290	1.04084
Asset-backed securities	13,951	0.16480
Mortgage-backed securities	154	1.74345
Mutual funds	1,110,235	5.84117
SMIF	1,424,805	0.52329
Total	<u>\$ 5,933,958</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.

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(In thousands)

Ratings of the University's investment portfolio for each investment type as of June 30, 2020 are presented in the following table:

Investment type	Fair value	AAA	AA	A	BB	B	Not rated
Money market funds	\$ 188,045	128,858	—	—	—	—	59,187
Repurchase agreements	19,462	19,462	—	—	—	—	—
Certificates of deposit	128,927	53,900	—	75,027	—	—	—
U.S. agency securities	676,426	68,184	608,242	—	—	—	—
U.S. Treasury securities	1,518,103	45,344	1,472,759	—	—	—	—
Municipal bonds	2,560	—	—	2,560	—	—	—
Corporate bonds	851,290	—	71,317	779,973	—	—	—
Asset-backed securities	13,951	13,951	—	—	—	—	—
Mortgage-backed securities	154	—	154	—	—	—	—
Mutual funds	1,110,235	55,807	246,026	—	16,401	109,818	682,183
SMIF	1,424,805	—	—	—	—	—	1,424,805
Total	<u>\$5,933,958</u>	<u>385,506</u>	<u>2,398,498</u>	<u>857,560</u>	<u>16,401</u>	<u>109,818</u>	<u>2,166,175</u>

The mutual funds credit ratings are based on average credit ratings of the underlying mutual funds. Credit ratings for mutual fund related to equity and real 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, 2020, the investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) in Federal Home Loan Banks (\$386,868 or 6.52%) represented 5% or more of the University's investment portfolio.

(v) Risk and Uncertainties

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

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(In thousands)

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, 2020:

Investment type	Fair value	Level 2	NAV	Not required to be leveled
Money market funds	\$ 188,045	—	188,045	—
Repurchase agreements	19,462	19,462	—	—
Certificates of deposit	128,927	128,927	—	—
U.S. agency securities	676,426	676,426	—	—
U.S. Treasury securities	1,518,103	1,518,103	—	—
Municipal bonds	2,560	2,560	—	—
Corporate bonds	851,290	851,290	—	—
Asset-backed securities	13,951	13,951	—	—
Mortgage-backed securities	154	154	—	—
Mutual funds	1,110,235	1,110,235	—	—
SMIF	—	—	—	1,424,805
Total	<u>\$ 4,509,153</u>	<u>4,321,108</u>	<u>188,045</u>	<u>1,424,805</u>

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

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

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

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

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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(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. However, all mutual funds in the TRP are denominated in United States dollars.

(viii) Discretely Presented Component Units' Investments

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2020:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 62,566	55,434	118,000
Repurchase agreements	525	12	537
Certificates of deposit	30,909	5,983	36,892
U.S. agency securities	22,023	6,736	28,759
U.S. Treasury securities	109,492	189,182	298,674
Municipal bonds	4,833	8,757	13,590
Corporate bonds	99,429	101,115	200,544
Asset-backed securities	3,352	1,992	5,344
Mortgage-backed securities	8,613	11,254	19,867
Mutual funds	234,922	843,234	1,078,156
Exchange-traded funds	38,430	170,410	208,840
Equity securities	44,033	466,869	510,902
Alternative investments:			
Private equity (including limited partnerships)	2,855	66,473	69,328
Hedge funds	6,144	73,318	79,462
Real estate investments (including real estate investment trust)	2,928	40,426	43,354
Commodities	282	12,871	13,153
Other alternative investments	1,352	118,965	120,317
Other external investment pools	—	24,591	24,591
Local Agency Investment Fund (LAIF)	238,546	2,289	240,835
Other investments	1,644	24,344	25,988
Total	\$ 912,878	2,224,255	3,137,133

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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, 2020:

<u>Investment type</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Money market funds	\$ 118,000	103,505	6,158	—	8,337
Repurchase agreements	537	—	537	—	—
Certificates of deposit	36,892	2,379	34,513	—	—
U.S. agency securities	28,759	4,248	24,511	—	—
U.S. Treasury securities	298,674	168,317	130,357	—	—
Municipal bonds	13,590	5,244	8,346	—	—
Corporate bonds	200,544	138,305	54,648	—	7,591
Asset-backed securities	5,344	80	5,264	—	—
Mortgage-backed securities	19,867	5,353	14,514	—	—
Mutual funds	1,078,156	1,005,785	6,176	42,601	23,594
Exchange-traded funds	208,840	164,488	44,352	—	—
Equity securities	510,902	495,356	3,052	978	11,516
Alternative investments:					
Private equity (including limited partnerships)	69,328	1,253	1,059	12,059	54,957
Hedge funds	79,462	—	—	3,946	75,516
Real estate investments (including real estate investment trust)	43,354	511	3,139	14,667	25,037
Commodities	13,153	—	—	—	13,153
Other alternative investments	120,317	268	923	—	119,126
Other external investment pools	24,591	—	—	24,591	—
LAIF	240,835	—	—	—	240,835
Other investments	25,988	23,217	633	2,138	—
Total	\$ 3,137,133	2,118,309	338,182	100,980	579,662

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 \$61,731 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, 2020 consisted of the following:

	Current	Noncurrent	Total
State appropriations	\$ 830	34,252	35,082
State appropriations – SPWB Lease Revenue Bond program	—	1,255	1,255
Discretely presented component units	52,125	1,736	53,861
Student accounts	93,265	—	93,265
Government grants and contracts	27,258	—	27,258
Others	43,200	543	43,743
	<u>216,678</u>	<u>37,786</u>	<u>254,464</u>
Less allowance for doubtful accounts	<u>(10,787)</u>	<u>—</u>	<u>(10,787)</u>
Total	\$ 205,891	37,786	243,677

(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 \$202,190. 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:	
2021	\$ 25,938
2022	21,400
2023	23,573
2024	23,616
2025	23,515
2026 - 2030	119,789
2031 - 2035	54,946
2036 - 2040	22,901
2041 - 2045	6,723
2046 - 2050	4,037
Total minimum lease payments to be received	326,438
Less amounts representing interest	<u>(95,987)</u>
Present value of future minimum lease payments to be received	230,451
Less current portion	<u>(12,723)</u>
Capital lease receivable, net of current portion	\$ 217,728

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(In thousands)

(6) Notes Receivable

The University has entered into note agreements primarily with certain discretely presented component units to finance its existing and newly constructed facilities. Notes receivable from discretely presented component units amounted to \$385,190. 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:

2021	\$	31,564
2022		32,594
2023		31,344
2024		31,002
2025		30,974
2026 - 2030		148,681
2031 - 2035		129,009
2036 - 2040		97,084
2041 - 2045		62,782
2046 - 2050		28,175
		<hr/>
Total minimum note payments to be received		623,209
Less amounts representing interest		(236,704)
		<hr/>
Present value of future minimum note payments to be received		386,505
Less current portion		(13,363)
		<hr/>
Notes receivable, net of current portion	\$	<u><u>373,142</u></u>

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2020

(In thousands)

(7) Capital Assets

Capital assets activity for the University for the year ended June 30, 2020 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	\$ 281,916	4,426	(540)	—	285,802
Works of art and historical treasures	50,100	3,481	—	—	53,581
Construction work in progress	1,156,638	965,863	(6,310)	(857,119)	1,259,072
Intangible assets	38,997	11,927	(4,386)	(5,338)	41,200
Total nondepreciable/ nonamortizable capital assets	1,527,651	985,697	(11,236)	(862,457)	1,639,655
Depreciable/amortizable capital assets:					
Buildings and building improvements	13,169,288	117,541	(44,477)	796,450	14,038,802
Improvements other than buildings	752,293	6,347	(776)	18,685	776,549
Infrastructure	1,250,573	16,592	(704)	35,442	1,301,903
Personal property:					
Equipment	904,571	45,486	(17,213)	6,542	939,386
Library books and materials	386,023	7,666	(6,120)	—	387,569
Intangible assets	275,481	4,371	(1,644)	5,338	283,546
Total depreciable/ amortizable capital assets	16,738,229	198,003	(70,934)	862,457	17,727,755
Total cost	18,265,880	1,183,700	(82,170)	—	19,367,410
Less accumulated depreciation/ amortization:					
Buildings and building improvements	(6,307,656)	(402,641)	21,149	—	(6,689,148)
Improvements other than buildings	(539,129)	(28,906)	744	—	(567,291)
Infrastructure	(592,007)	(40,699)	422	—	(632,284)
Personal property:					
Equipment	(675,658)	(60,097)	15,833	—	(719,922)
Library books and materials	(356,445)	(6,280)	6,120	—	(356,605)
Intangible assets	(256,608)	(7,652)	1,649	—	(262,611)
Total accumulated depreciation/amortization	(8,727,503)	(546,275)	45,917	—	(9,227,861)
Net capital assets	\$ 9,538,377	637,425	(36,253)	—	10,139,549

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Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2020 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	\$ 132,976	5,220	(2,693)	—	135,503
Works of art and historical treasures	9,213	5,397	(1,688)	—	12,922
Construction work in progress	145,552	48,915	(71,683)	(51,386)	71,398
Intangible assets	10,031	1,796	(4,997)	(193)	6,637
Total nondepreciable/ nonamortizable capital assets	297,772	61,328	(81,061)	(51,579)	226,460
Depreciable/amortizable capital assets:					
Buildings and building improvements	774,038	23,985	(15,196)	9,672	792,499
Improvements other than buildings	170,816	10,366	(9,390)	33,967	205,759
Infrastructure	67,693	—	—	—	67,693
Personal property:					
Equipment	230,417	15,406	(7,321)	7,747	246,249
Intangible assets	8,044	126	(578)	193	7,785
Total depreciable/ amortizable capital assets	1,251,008	49,883	(32,485)	51,579	1,319,985
Total cost	1,548,780	111,211	(113,546)	—	1,546,445
Less accumulated depreciation/amortization:					
Buildings and building improvements	(337,682)	(25,251)	7,672	—	(355,261)
Improvements other than buildings	(97,012)	(13,375)	4,822	—	(105,565)
Infrastructure	(24,241)	(1,692)	—	—	(25,933)
Personal property:					
Equipment	(170,795)	(17,577)	6,294	—	(182,078)
Intangible assets	(6,476)	(260)	573	—	(6,163)
Total accumulated depreciation/amortization	(636,206)	(58,155)	19,361	—	(675,000)
Net capital assets	\$ 912,574	53,056	(94,185)	—	871,445

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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(8) Lease Obligations

The University is obligated under various capital and operating leases and installment purchase agreements for the acquisition of equipment and facility rentals. A substantial amount of the capital leases are a result of the University's participation with the State in the State Public Works Board (SPWB) Lease Revenue Bond program. The University has participated in this program since 1986 in connection with the construction of campus facilities and related equipment.

As part of the annual budget process, the State of California Department of Finance augments the University's operating budget to provide additional funds for the required lease payments. The capital lease obligations related to the SPWB Lease Revenue Bond program amounted to \$143,410 at June 30, 2020. Total capital assets related to these capital leases have a carrying value of \$159,905 at June 30, 2020. The leases have terms expiring in various years through 2035. 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 \$223,454 at June 30, 2020. The leases bear interest at rates ranging from 0.04% to 10% and have terms expiring in various years through 2049.

Operating leases consist primarily of leases for the use of real property. The University's operating leases expire in various years through 2099. The leases can be canceled if the State does not provide adequate funding. Some of these leases are with discretely presented component units for the rental of office space used in the operations of the University. Total operating lease expenditures for the year ended June 30, 2020 were \$41,694 of which \$25,721 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, 2020 are as follows:

	<u>Capital leases</u>	<u>Operating leases</u>
Fiscal year ending June 30:		
2021	\$ 39,272	38,752
2022	36,790	32,542
2023	36,492	20,882
2024	34,812	18,476
2025	33,969	18,112
2026 - 2030	157,807	63,904
2031 - 2035	139,036	27,222
2036 - 2040	36,930	24,476
2041 - 2045	19,484	18,789
2046 - thereafter	12,369	2,444
Total minimum lease payments	<u>546,961</u>	<u>\$ 265,599</u>
Less amount representing interest	<u>(190,405)</u>	
Present value of future minimum lease payments	356,556	
Unamortized net premium	516	
Total capital lease obligations	<u>357,072</u>	
Less current portion	<u>(20,897)</u>	
Capital lease obligations, net of current portion	<u>\$ 336,175</u>	

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(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 \$2,050,623 as of June 30, 2020.

(b) *Systemwide Revenue Bond Program*

The State University Revenue Bond Act of 1947, Sections 90010 through 90091 of the Education Code of the State of California (the Bond Act) authorizes the Trustee to issue revenue bonds to finance projects that support the University's educational mission. The University's financing program, referred to as the SRB Program, is designed to provide lower cost debt and greater flexibility to finance projects at the University than would be possible if projects were financed separately. Rather than relying on specific pledged revenues to support specific debt obligations, the SRB program pools multiple sources of revenue as the security for the debt. The University's total outstanding balance of revenue bond indebtedness under the SRB program was \$7,218,305 at June 30, 2020. Under the Bond Act authority, the University has constructed or acquired facilities located at its 23 campuses and the Office of the Chancellor.

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

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

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

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(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, 2020 were 2.25% and 1.90%, respectively. The University's BANs totaled \$129,119 at June 30, 2020. The authorized amounts totaled \$301,880, of which \$171,600 has not been issued and \$130,280 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, 2020 consisted of the following:

Description	Interest rate percentage	Final maturity date	Original issue amount	Amount outstanding
Systemwide Revenue Bonds:				
Housing Series L - M	3%	2020/21	\$ 5,510	245
Housing Series N & Q	3.00	2021/22	6,695	470
Series 2007-B	5.45-5.55	2037/38	13,165	8,920
Series 2007-C	5.00	2028/29	63,275	26,090
Series 2010-B	5.45-6.48	2041/42	205,145	205,145
Series 2011-A	3.00-5.25	2042/43	236,410	111,685
Series 2012-A	3.00-5.00	2042/43	436,220	399,280
Series 2012-B	2.79-4.17	2036/37	16,700	14,050
Series 2013-A	3.00-5.00	2026/27	308,855	202,045
Series 2014-A	3.00-5.00	2044/45	747,740	710,830
Series 2015-A	2.00-5.00	2047/48	1,032,920	919,555
Series 2015-B	1.98-4.41	2035/36	29,305	19,435
Series 2016-A	2.00-5.00	2045/46	1,133,105	1,102,670
Series 2016B-1	1.60	2047/48	50,000	50,000
Series 2016B-2	4.00	2049/50	100,000	100,000
Series 2016B-3	4.00	2051/52	100,000	100,000
Series 2017-A	3.00-5.00	2047/48	812,030	784,495
Series 2017-B	1.55-3.90	2047/48	335,155	333,310
Series 2017-C	3.25-5.00	2037/38	49,175	43,345
Series 2018-A	4.00-5.00	2050/51	492,690	490,465
Series 2018-B	2.45-4.25	2050/51	171,000	170,840
Series 2019-A	4.00-5.00	2051/52	449,430	449,430
Series 2019-B	1.90-3.59	2051/52	81,335	81,335
Series 2020-A	5.00	2031/32	65,240	65,240
Series 2020-B	1.47-3.07	2042/43	829,425	829,425
			<u>\$ 7,770,525</u>	7,218,305
Bond Anticipation Notes	Various			129,119
Others	Various			9,012
Total				<u>7,356,436</u>
Unamortized net bond premium				685,331
Total long-term debt				<u>8,041,767</u>
Less current portion				(171,661)
Long-term debt, net of current portion				<u>\$ 7,870,106</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
2021	\$ 171,661	324,028
2022	185,360	311,219
2023	191,892	302,130
2024	198,766	293,152
2025	206,341	283,909
2026 - 2030	1,193,615	1,268,318
2031 - 2035	1,342,767	971,597
2036 - 2040	1,311,440	669,918
2041 - 2045	1,262,739	386,684
2046 - 2050	1,005,604	141,039
Thereafter	286,251	9,974
	\$ 7,356,436	— 4,961,968

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, 2020, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$1,764,565 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2020, 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 2019, the University issued SRB Series 2019B (Taxable) and 2020A (Tax Exempt), a portion of the proceeds was applied for a current refunding of SRB Series 2010A (Tax Exempt). Further, the University issued SRB Series 2020B (Taxable), a portion of the proceeds was applied for advance refunding of SRB Series 2011A (Tax Exempt). The defeasance will reduce the University's total financing cost by approximately \$65,329 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 \$50,267. 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 \$269,000. The outstanding balance as of June 30, 2020 is \$193,445.

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(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2020 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 239,962	151,991	(121,942)	270,011	112,812
Capital lease obligations (note 8)	315,322	73,803	(32,053)	357,072	20,897
Long-term debt obligations (note 9):					
Systemwide revenue bonds	6,211,333	1,425,430	(418,458)	7,218,305	170,115
Bond anticipation notes	109,659	227,918	(208,458)	129,119	72
Other	10,046	—	(1,034)	9,012	1,474
	<u>6,331,038</u>	<u>1,653,348</u>	<u>(627,950)</u>	<u>7,356,436</u>	<u>171,661</u>
Unamortized net bond premium	620,431	114,509	(49,609)	685,331	—
Total long-term debt obligations	<u>6,951,469</u>	<u>1,767,857</u>	<u>(677,559)</u>	<u>8,041,767</u>	<u>171,661</u>
Total long-term liabilities	<u>\$ 7,506,753</u>	<u>1,993,651</u>	<u>(831,554)</u>	<u>8,668,850</u>	<u>305,370</u>

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2020 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 21,375	11,744	(10,590)	22,529	15,516
Claims liability for losses					
and loss adjustment expenses	60,446	28,803	(35,272)	53,977	16,416
Capital lease obligations	238,245	23,284	(14,756)	246,773	10,769
Long-term debt obligations:					
Revenue bonds	19,790	—	(970)	18,820	1,030
Commercial paper, including principal rollovers	109,659	995,595	(976,135)	129,119	127,337
Notes payable	348,250	39,780	(53,245)	334,785	11,515
Other	68,329	10,551	(9,249)	69,631	5,244
	<u>546,028</u>	<u>1,045,926</u>	<u>(1,039,599)</u>	<u>552,355</u>	<u>145,126</u>
Unamortized net bond premium	40,178	4,338	(4,665)	39,851	—
Total long-term debt obligations	<u>586,206</u>	<u>1,050,264</u>	<u>(1,044,264)</u>	<u>592,206</u>	<u>145,126</u>
Total long-term liabilities	<u>\$ 906,272</u>	<u>1,114,095</u>	<u>(1,104,882)</u>	<u>915,485</u>	<u>187,827</u>

The University has entered into note agreements with certain discretely presented component units to finance existing and newly constructed facilities, using proceeds from issuance of SRB and BANs, for the discretely presented component units amounting to \$334,785 included in notes payable and \$50,405 in other long-term debt obligations as of June 30, 2020.

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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 \$200,707 as of June 30, 2020.

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, 2018 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, 2018 through June 30, 2019.

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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, 2019, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 6.90% and 11.46% 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 29.37% and 45.37% of annual payroll, respectively.

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

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

The contribution requirements of the plan members are established and may be amended by CalPERS. The contractual maximum contribution required for the University is determined by the annual CalPERS compensation limit(s), which are based on provisions of Assembly Bill (AB) 340 and the IRC 401(a) 17 limits. The University's contributions to CalPERS for the most recent three fiscal years ended June 30 were equal to the required contributions and were as follows:

	<u>University's contributions</u>	
Fiscal year ending June 30:		
2020	\$	1,011,518
2019		928,987
2018		1,734,716

In 2018, the State made a supplemental pension contribution of \$876,842 to CalPERS on behalf of the University as authorized by Government Code Section 20825. The University shall repay \$156,283 amount contributed through June 30, 2030, while the remainder was recognized as State appropriations, noncapital in 2018. As of June 30, 2020, the outstanding amount to be repaid by the University is \$133,419.

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(e) *Actuarial Methods and Assumptions*

The total pension liability was measured as of June 30, 2019 (measurement date), by rolling forward the total pension liability determined by the June 30, 2018 actuarial valuation (valuation date), based on the following actuarial methods and assumptions:

Valuation date:	June 30, 2018
Actuarial cost method:	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%, net of pension plan investment expense but without reduction for administrative expenses including inflation
Mortality rate of return	Derived using CalPERS' membership data for all funds
Postretirement benefit increase:	Contract cost of living allowance up to 2.50% until purchasing power protection allowance floor on purchasing power applies; 2.50% thereafter

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

(f) *Discount Rate*

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

(g) *Investment Rate of Return*

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Taking into account historical returns

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of all the PERF's asset classes (which includes the agent plan and two cost-sharing plans), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11– 60 years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

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

¹ An expected inflation of 2% used for this period

² An expected inflation of 2.92% used for this period

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

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

Plan	Discount rate -1% (6.15%)	Current discount rate (7.15%)	Discount rate + 1% (8.15%)
Miscellaneous Plan	\$ 11,430,804	8,022,235	5,166,956
Peace Officers and Firefighters Plan	248,159	168,535	103,250
Net pension liability	<u>\$ 11,678,963</u>	<u>8,190,770</u>	<u>5,270,206</u>

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(In thousands)

(i) Changes in Net Pension Liability

The University reported a liability of \$8,190,770 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2018 rolled forward to the measurement date. The University's proportion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The State considered this a practical, systematic, and rational approach. At measurement date June 30, 2019, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 23.85065% and 1.14289%, respectively.

	<u>State Miscellaneous Plan</u>	<u>State Peace Officers and Firefighters Plan</u>	<u>Total</u>
Balance at June 30, 2018 (measurement date)	\$ 7,570,176	163,075	7,733,251
Changes in proportionate share	<u>(77,569)</u>	<u>(4,083)</u>	<u>(81,652)</u>
Balance at June 30, 2018, adjusted	7,492,607	158,992	7,651,599
Changes recognized for the measurement period:			
Service cost	487,235	11,943	499,178
Interest on total pension liability	1,901,033	38,648	1,939,681
Recognized difference between expected and actual experience	484,754	7,594	492,348
Employee contributions	(224,907)	(5,005)	(229,912)
Employer contributions	(900,954)	(19,039)	(919,993)
Net investment income	(1,231,444)	(24,864)	(1,256,308)
Plan to plan resource movement	321	(4)	317
Administrative expenses	13,633	272	13,905
Other miscellaneous expense	<u>(44)</u>	<u>(1)</u>	<u>(45)</u>
Net changes	<u>529,627</u>	<u>9,544</u>	<u>539,171</u>
Balance at June 30, 2019 (measurement date)	\$ <u>8,022,234</u>	<u>168,536</u>	<u>8,190,770</u>

(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 \$1,573,707 for State Miscellaneous Plan and State Peace Officers and Firefighters Plan, which were reported as benefits expense.

The following table presents deferred outflows and inflows of resources as of June 30, 2020. Deferred outflows and inflows of resources are recognized for the difference between expected and actual experience and changes in

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June 30, 2020

(In thousands)

assumptions. Deferred outflows of resources are recognized for the University's retirement contributions made subsequent to the measurement date of June 30, 2019 which will be recognized as a reduction of the net pension liability in the next measurement date. Net deferred outflows of resources are recognized for the aggregate difference (positive and negative) between projected and actual earnings on pension plan investments arising in different measurement periods. 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	\$ 1,011,518	—
Differences due to changes in assumptions	350,551	168,457
Net differences between projected and actual earnings on pension plan investments	—	61,011
Differences due to changes in proportionate share	54,883	—
Differences between expected and actual experience	429,591	24,464
Total	<u>\$ 1,846,543</u>	<u>253,932</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)			
			2020	2021	2022	Total
Miscellaneous Plan:						
2017	\$ 1,351,750	4	\$ 337,937	—	—	337,937
Peace Officers and Firefighters Plan:						
2017	29,815	5.2	5,734	5,734	1,146	12,614
Increase in pension expense			<u>\$ 343,671</u>	<u>5,734</u>	<u>1,146</u>	<u>350,551</u>

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Notes to Financial Statements

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(In thousands)

ii) Schedule of Changes in Proportionate Share

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase (decrease) in pension expense arising from the recognition of the effects of changes in proportionate share (measurement dates)				
			2020	2021	2022	2023	Total
Miscellaneous Plan:							
2017	\$ 291,636	4	\$ 72,909	—	—	—	72,909
2018	69,770	4.1	17,017	17,017	1,702	—	35,736
2019	(72,052)	4.1	(17,574)	(17,574)	(17,574)	(1,757)	(54,479)
Peace Officers and Firefighters Plan:							
2015	7,537	5.1	148	—	—	—	148
2016	10,242	5.2	1,970	394	—	—	2,364
2017	10	5.2	2	2	—	—	4
2018	1,713	5	343	343	343	—	1,029
2019	(3,533)	5	(707)	(707)	(707)	(707)	(2,828)
Increase (Decrease) in pension expense			<u>\$ 74,108</u>	<u>(525)</u>	<u>(16,236)</u>	<u>(2,464)</u>	<u>54,883</u>

(iii) 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)				
			2020	2021	2022	2023	Total
Miscellaneous Plan:							
2018	\$ 106,313	4.1	\$ 25,930	25,930	2,593	—	54,453
2019	484,755	4.1	118,233	118,233	118,233	11,823	366,522
Peace Officers and Firefighters Plan:							
2015	3,298	5.1	65	—	—	—	65
2016	209	5.2	40	8	—	—	48
2018	4,047	5	809	809	809	—	2,427
2019	7,594	5	1,519	1,519	1,519	1,519	6,076
Increase in pension expense			<u>\$ 146,596</u>	<u>146,499</u>	<u>123,154</u>	<u>13,342</u>	<u>429,591</u>

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June 30, 2020

(In thousands)

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

(iv) Schedule of Differences between Expected and Actual Experience

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)			
			2020	2021	2022	Total
Miscellaneous Plan:						
2017	\$ 92,312	4	\$ 23,078	—	—	23,078
Peace Officers and Firefighters Plan:						
2017	3,275	5.2	630	630	126	1,386
Decrease in pension expense			<u>\$ 23,708</u>	<u>630</u>	<u>126</u>	<u>24,464</u>

(v) Schedule of Differences due to Changes in Assumptions

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)			
			2020	2021	2022	Total
Miscellaneous Plan:						
2018	\$ 328,556	4.1	\$ 80,136	80,136	8,014	168,286
Peace Officers and Firefighters Plan:						
2018	288	5	57	57	57	171
Decrease in pension expense			<u>\$ 80,193</u>	<u>80,193</u>	<u>8,071</u>	<u>168,457</u>

*Adjusted for any changes in University's proportionate share

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Notes to Financial Statements

June 30, 2020

(In thousands)

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

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Decrease (increase) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)				
			2020	2021	2022	2023	Total
Miscellaneous Plan:							
2016	\$ (1,140,831)	5	\$ (228,167)	—	—	—	(228,167)
2017	629,965	5	125,993	125,993	—	—	251,986
2018	218,063	5	43,613	43,613	43,613	—	130,839
2019	(118,647)	5	(23,729)	(23,729)	(23,729)	(23,730)	(94,917)
Peace Officers and Firefighters Plan:							
2016	(21,636)	5	(4,327)	—	—	—	(4,327)
2017	12,087	5	2,417	2,417	—	—	4,834
2018	4,260	5	852	852	852	—	2,556
2019	(2,241)	5	(448)	(448)	(448)	(449)	(1,793)
Decrease (Increase) in pension expense			<u>\$ (83,796)</u>	<u>148,698</u>	<u>20,288</u>	<u>(24,179)</u>	<u>61,011</u>

(13) Other Postemployment Benefits (OPEB)

(a) OPEB Plan Description

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

(b) Benefits Provided

For healthcare benefits, CalPERS offers Preferred Provider Organizations (PPOs), Health Maintenance Organizations (HMOs), and Exclusive Provider Organizations (EPOs) (limited to members in certain California counties). For dental benefits, a Dental Maintenance Organization (DMO) and dental indemnity 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	31,483
Active employees	49,249
Total	80,732

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(In thousands)

(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 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.

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(In thousands)

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

Valuation date:	June 30, 2019
Actuarial cost method:	Entry Age Normal Actuarial Cost Method and the blended discount rates in accordance with the requirements of GASB Statement No. 74 and 75.
Actuarial assumptions:	
Discount rate	3.13%
Price inflation	2.25%
Wage inflation	2.50%
Healthcare-related:	Assumptions were updated based on the 2018 Experience Review for the Years July 1, 2014, to June 30, 2018, performed by State Actuary and were first adopted beginning with the June 30, 2019 actuarial valuation. It includes rates of decrement, salary increase rates, and economic assumptions. These assumption changes increased expected total OPEB liability by 0.4 percent or \$0.36 billion.
Healthcare trend rate:	
Pre-Medicare cost trend rate	7.5% in 2021, graded down over a six-year period until to a trend rate of 4.5% in 2027, remains at 4.50 percent for ten years until the ultimate rate of 4.25 percent is reached in 2037.
Post-Medicare cost trend rate	7.5% in 2021, graded down over a six-year period until to a trend rate of 4.5% in 2027, remains at 4.50 percent for ten years until the ultimate rate of 4.25 percent is reached in 2037.
Participation rate	On average approximately 95% of all eligible retirees elect healthcare coverage.
Per capita claim costs	A retiree healthcare actuarial valuation depends on the retired member's expected healthcare claim at a given age indexed for healthcare inflation.
Pension-related:	Assumptions were based on the December 2017 Experience Study conducted by CalPERS which includes rates of decrement, salary increase rates, and economic assumptions. Assumptions were first adopted beginning with the June 30, 2018, actuarial valuation.

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

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

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

CALIFORNIA STATE UNIVERSITY

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(In thousands)

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

	Trend rate -1% (6.5% decreasing to 3.25%)	Current trend rate (7.5% decreasing to 4.25%)	Trend rate + 1% (8.5% decreasing to 5.25%)
Total OPEB liability	\$ 12,349,046	14,498,545	17,249,934

(f) Discount Rate

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2019 and 2018 was 3.13% and 3.62%, 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 3.13%, 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 (2.13%) or one-percentage point higher (4.13%) than the current rate:

	Discount rate -1% (2.13%)	Current discount rate (3.13%)	Discount rate + 1% (4.13%)
Total OPEB liability	\$ 17,001,133	14,498,545	12,495,949

(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, 2018 (Measurement Date)	\$ 13,128,996
Changes recognized for the measurement period:	
Service cost	603,049
Interest on total OPEB liability	490,260
Recognized changes of assumptions	751,688
Differences between expected and actual experience (non-investment)	(94,145)
Employer contribution	(381,303)
Net changes	1,369,549
Balance at June 30, 2019 (Measurement Date)	\$ 14,498,545

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(In thousands)

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

The University recognized OPEB expense of \$714,217 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, 2019 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	\$ 404,389	—
Differences due to changes in assumptions	648,057	1,311,057
Differences between expected and actual experience (non-investment)	—	882,469
Total	<u>\$ 1,052,446</u>	<u>2,193,526</u>

The University's contributions subsequent to the measurement date includes \$388,210 contributed by the State on behalf of the University as authorized by Government Code Section 22871. The State's contributions are recognized as State appropriations, noncapital.

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

			Increase in OPEB expenses arising from changes of assumptions (measurement dates)							
Measurement Period ended June 30	Initial difference	Recognition period (year)	2021	2022	2023	2024	2025	2026	2027	Total
2019	\$ 751,688	7.25	\$ 103,631	103,631	103,631	103,631	103,631	103,631	26,271	648,057
Increase in OPEB expenses			<u>\$ 103,631</u>	<u>103,631</u>	<u>103,631</u>	<u>103,631</u>	<u>103,631</u>	<u>103,631</u>	<u>26,271</u>	<u>648,057</u>

The deferred inflows of resources 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)	2021	2022	2023	2024	2025	2026	Total	
2017	\$ 1,663,194	6.86	\$ 242,299	242,299	242,299	209,400	—	—	936,297	
2018	519,714	7.17	72,477	72,477	72,477	72,477	72,477	12,375	374,760	
Decrease in OPEB expenses			<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>1,311,057</u>	

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(In thousands)

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

Measurement Period ended June 30	Initial difference	Recognition period (year)	2021	2022	2023	2024	2025	2026	2027	Total
2018	\$ 1,111,239	7.17	\$ 154,968	154,968	154,968	154,968	154,968	26,463	—	801,303
2019	94,145	7.25	12,979	12,979	12,979	12,979	12,979	12,979	3,292	81,166
Decrease in OPEB expenses			<u>\$ 167,947</u>	<u>167,947</u>	<u>167,947</u>	<u>167,947</u>	<u>167,947</u>	<u>39,442</u>	<u>3,292</u>	<u>882,469</u>

(14) Deferred Outflows and Inflows of Resources

The composition of deferred outflows and inflows of resources at June 30, 2020 is summarized as follows:

	Deferred outflows of resources	Deferred inflows of resources
Related to:		
Net pension liability (note 12)	\$ 1,846,543	253,932
Total other postemployment benefits liability (note 13)	1,052,446	2,193,526
Unamortized loss on SRB debt refunding	85,035	—
Unamortized gain on SRB debt refunding	—	3,825
Nonexchange transactions	—	1,025
Total	<u>\$ 2,984,024</u>	<u>2,452,308</u>

(15) Claims Liability for Losses and Loss Adjustment Expenses

The University and certain auxiliary organizations have established the CSURMA, a discretely presented component unit of the University, to centrally manage workers' compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, and other risk-related programs. The claims liability included in the discretely presented component unit column reflects the estimated ultimate cost of settling claims related to events that have occurred on or before June 30, 2020. 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, 2020.

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.

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(In thousands)

(16) Commitments and Contingencies

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

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

Authorized but unexpended costs for construction projects as of June 30, 2020 totaled \$982,672. 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 \$15,881 of electricity at fixed prices through December 2021. The University estimates that the special purchase contract in place represent approximately 17.73% 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, 2020, 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	\$ 2,027,897	1,632,023	—	193,359	—	3,853,279
Research	31,035	5,779	—	20,435	—	57,249
Public service	29,561	13,539	—	15,767	—	58,867
Academic support	465,744	359,765	—	203,098	—	1,028,607
Student services	494,863	422,181	—	222,359	—	1,139,403
Institutional support	483,475	432,349	—	279,320	—	1,195,144
Operation and maintenance of plant	264,996	329,928	—	391,894	—	986,818
Student grants and scholarships	—	—	1,195,923	—	—	1,195,923
Auxiliary enterprise expenses	92,091	32,523	—	274,668	—	399,282
Depreciation and amortization	—	—	—	—	546,220	546,220
Total	\$ 3,889,662	3,228,087	1,195,923	1,600,900	546,220	10,460,792

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(In thousands)

(18) Transactions with Related Entities

The University is an agency of the State and receives approximately 46% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$4,739,585 for the year ended June 30, 2020. State appropriations receivable is \$36,337 at June 30, 2020.

State appropriations allocated to the University for the year ended June 30, 2020 consisted of the following:

	<u>2020</u>
State appropriations, noncapital	\$ 4,346,139
State's contribution on behalf of the University for OPEB	388,210
State appropriations, capital	<u>5,236</u>
Total state appropriations	<u>\$ 4,739,585</u>

(19) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2020, but prior to the date of the auditors' report.

- The Central Utility Plant Replacement project at California State University, Fresno, procured through a public-private partnership, was approved by the Trustees on January 2021. In February 2021, the Trustees entered into a project agreement with a private development partner, to design, build, finance and maintain the generation and distribution of heating and cooling services throughout the campus, and install ground mounted solar photovoltaic systems. The total project cost is approximately \$170, 000 and will be funded primarily through financing provided by the private development partner. The private development partner will be compensated through availability payments by the University for capital investment in the project and services relating to maintenance, management and life-cycle component, subject to deductions for performance failures.
- In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 was signed. This new law gives the U.S. Department of Education approximately \$22,700,000 to distribute to institutions of higher education in order to prevent, prepare for, and respond to coronavirus through the HEERF. The University have been awarded a total of \$853,000, of which \$262,000 are for student financial aid grants and \$591,000 for institutional support grants.
- *SRB Issuance*
In September 2020, the University issued \$314,030 of SRB Series 2020C (Tax Exempt), \$528,575 of SRB Series 2020D (Taxable) and \$466,010 of SRB Series 2020E (Taxable). The new bonds were issued to fund various capital projects, redeem maturing BANs, refund a portion of outstanding SRB Series 2011A and a portion of the SRB Series 2012A bonds.

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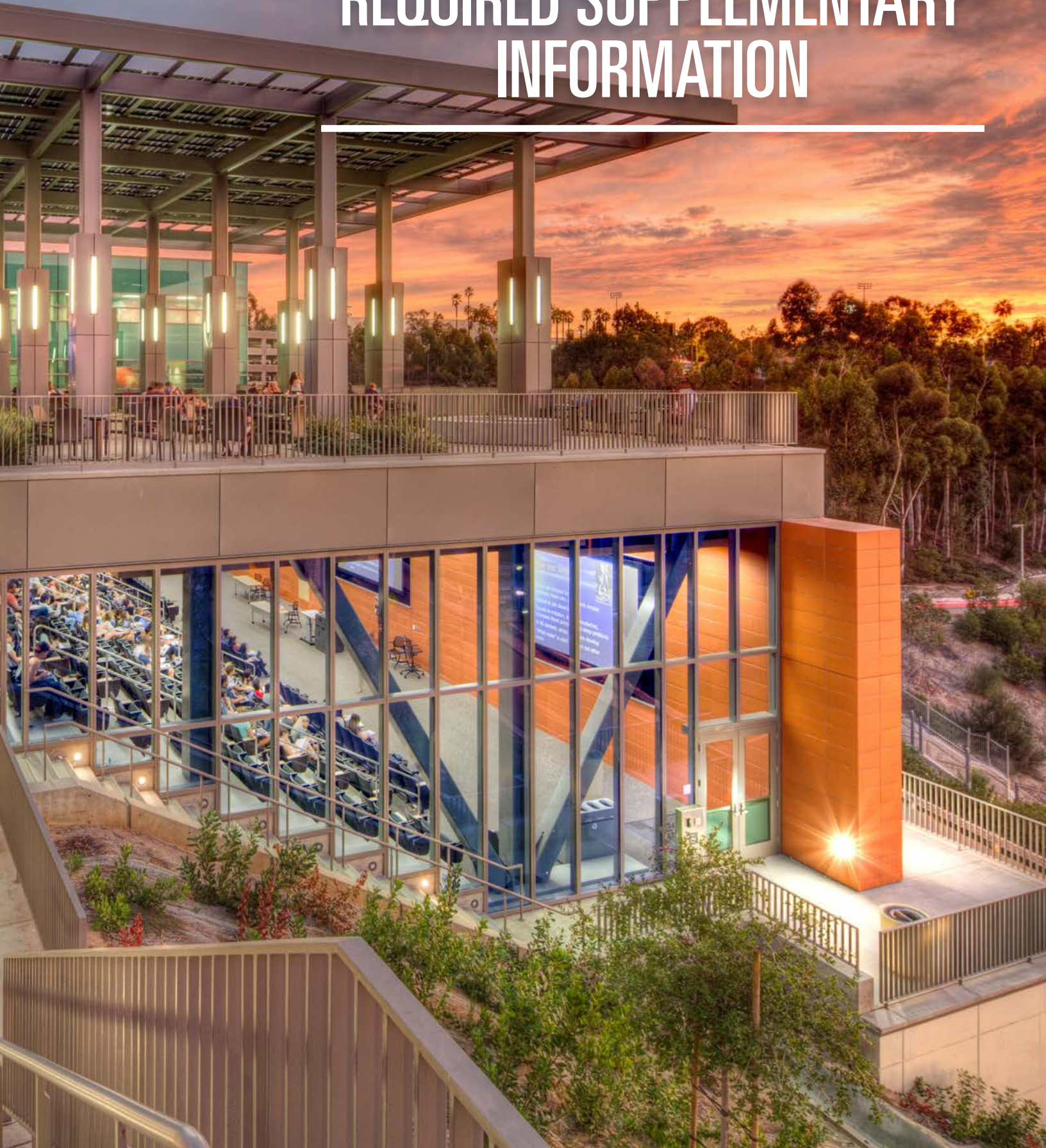
(In thousands)

- *BAN Issuance*

The University issued the BANs for the following capital projects:

	Amount
San Diego State University Mission Valley Real Property Acquisition and Site Development	\$ 88,970
Long Beach Hillside Renovation	31,230
Long Beach Housing Expansion Phase 1 Administration and Commons Building	18,735
San Diego State University Mission Valley Multi-Use Stadium	17,410
Monterey Bay Capital Improvement	11,745
Fresno New Student Union Project (2nd Tranche)	8,461
Total	<u>\$ 176,551</u>

REQUIRED SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY

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

June 30, 2020

(Unaudited)

(In thousands)

Last Ten Fiscal Years⁽¹⁾

State of California Miscellaneous Plan	2019⁽²⁾	2018⁽²⁾	2017⁽²⁾	2016⁽²⁾	2015⁽²⁾	2014⁽²⁾
University's proportion of the net pension liability	23.85065 %	24.09757 %	23.87558 %	22.87662 %	22.84970 %	22.72891 %
University's proportionate share of the net pension liability	\$ 8,022,235	7,570,176	8,723,068	7,575,326	6,453,200	5,411,439
University's proportionate share of covered payroll	\$ 3,002,439	2,900,140	2,780,552	2,567,251	2,407,821	2,209,786
University's proportionate share of the net pension liability as a percentage of covered payroll	267.19061 %	261.02795 %	313.71711 %	295.07539 %	268.00996 %	244.88521 %
Plan fiduciary net position as a percentage of the total pension liability	71.34328 %	71.82994 %	66.41644 %	66.81100 %	70.68274 %	74.17418 %
State of California Peace Officers and Firefighters Plan						
University's proportion of the net pension liability	1.14289 %	1.17223 %	1.15890 %	1.15882 %	1.07094 %	1.00623 %
University's proportionate share of the net pension liability	\$ 168,535	163,075	176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	\$ 41,367	41,153	38,632	37,528	33,341	30,160
University's proportionate share of the net pension liability as a percentage of covered payroll	407.41412 %	396.26516 %	457.89066 %	422.61507 %	374.89140 %	338.91247 %
Plan fiduciary net position as a percentage of the total pension liability	70.56276 %	70.53476 %	65.89199 %	66.09678 %	69.61241 %	72.18915 %

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

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

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Pension
 Year ended June 30, 2020
 (Unaudited)
 (In thousands)

Last Ten Fiscal Years⁽¹⁾

State of California Miscellaneous Plan	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,000,772	\$ 902,330	836,450	737,766	641,710	588,353
Contributions in relation to the actuarially determined contributions	(992,004)	(909,834)	(839,367)	(740,571)	(644,679)	(589,385)
Contribution deficiency (excess)	<u>\$ 8,768</u>	<u>\$ (7,504)</u>	<u>(2,917)</u>	<u>(2,805)</u>	<u>(2,969)</u>	<u>(1,032)</u>
University's covered payroll	\$ 3,230,694	\$ 3,079,834	2,953,043	2,768,770	2,559,878	2,431,410
Contributions as a percentage of covered payroll	30.70560 %	29.54166 %	28.42380 %	26.74729 %	25.18397 %	24.24046 %

State of California Peace Officers and Firefighters Plan

Actuarially determined contribution	\$ 19,512	\$ 18,374	17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	(19,514)	(19,153)	(18,442)	(16,600)	(14,647)	(13,610)
Contribution deficiency (excess)	<u>\$ (2)</u>	<u>\$ (779)</u>	<u>(680)</u>	<u>(742)</u>	<u>(620)</u>	<u>(1,873)</u>
University's covered payroll	\$ 41,342	\$ 42,022	41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	47.20139 %	45.57851 %	44.22966 %	42.16194 %	38.98797 %	40.79369 %

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

CALIFORNIA STATE UNIVERSITY

Schedule of Employer Contributions Related to Pensions

Year ended June 30, 2020

(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, 2018 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.5%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7%, net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of 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, 2018 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, 2020

(Unaudited)

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

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

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

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

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Schedule of Employer Contributions Related to Other Postemployment Benefits

Year ended June 30, 2020

(Unaudited)

(In thousands)

Last Ten Fiscal Years ⁽¹⁾

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

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

Valuation date Actuarially calculated contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumption used to determine actuarially determined contributions:

Actuarial cost method Entry Age Normal Actuarial Cost Method and the blended discount rates as required by GASB Statements No. 74 and 75. The Normal Cost and Actuarial Accrued Liability for purpose of calculating the Actuarially Determined Contribution were developed using the Entry Age Normal Actuarial Cost Method and a full-funding discount rate of 6.75 percent.

Inflation 2.25%

Payroll growth 2.50%

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 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, 2020

(In thousands)

Gross revenues:	
Tuition fees	\$ 3,361,162
Student housing	460,682
Student unions/recreation centers	265,971
Parking	108,875
Health centers	11,028
Professional and continuing education	443,957
Auxiliary organizations ¹	529,243
Other related entity ²	7,181
Total gross revenues	<u>5,188,099</u>
Maintenance and operation expenses ³ :	
Academic facilities	441,683
Student housing	310,823
Student unions/recreation centers	133,841
Parking	81,159
Health centers	6,114
Professional and continuing education	416,004
Auxiliary organizations ¹	474,446
Total maintenance and operation expenses	<u>1,864,070</u>
Net income available for debt service	<u>\$ 3,324,029</u>
Debt service:	
Systemwide revenue bonds debt	\$ 421,268
Designated auxiliary organizations debt	2,011
Total debt service	<u>\$ 423,279</u>

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

- (1) This included gross revenues and maintenance and operation expenses of 17 auxiliary organizations that have financed with SRB through lease or loan arrangements. This excludes research grants and contracts activity and restricted gifts. Gross revenues under the SRB Indenture are a smaller amount derived from payments under certain leases or with the Board of Trustees.
- (2) This includes gross revenues derived from leases with California State University, Channel Islands Site Authority which are used solely to pay debt service. The maintenance and operation expenses are excluded as these are not paid by the pledged gross revenues.
- (3) Maintenance and operation expenses for the year ended June 30, 2020 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$154,356, other postemployment benefits expense of \$13,148 pursuant to GASB Statement No. 75, and pension expense of \$56,110 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, 2020

(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	\$ 4,351	2,824	1,527	500	496	277	56 %
California State University Channel Islands	13,673	2,357	11,317	1,529	1,612	1,221	76
California State University, Chico	18,947	14,757	4,191	2,239	2,308	1,788	77
California State University, Dominguez Hills	5,146	3,704	1,442	665	665	489	74
California State University, East Bay	11,663	7,729	3,933	1,296	1,666	1,051	63
California State University, Fullerton	24,692	15,783	8,909	1,924	2,045	1,334	65
Humboldt State University	11,916	(3,180)	15,095	2,061	2,084	1,395	67
California State University, Long Beach	19,344	19,676	(332)	1,826	2,048	1,354	66
California State University, Los Angeles	9,674	4,725	4,949	1,069	1,060	648	61
California State University Maritime Academy	9,631	13,128	(3,497)	988	937	701	75
California State University, Northridge	22,678	15,008	7,670	3,596	3,315	2,280	69
California State Polytechnic University, Pomona	22,388	11,860	10,528	2,440	2,462	1,644	67
California State University, Sacramento	23,762	19,231	4,532	2,088	2,175	1,721	79
California State University, San Bernardino	9,221	6,244	2,977	1,934	1,462	883	60
San Diego State University	59,024	45,106	13,918	4,839	5,600	4,896	87
San Francisco State University ⁽⁵⁾	48,706	11,431	37,275	4,940	4,739	3,618	76
San José State University	51,826	37,649	14,177	3,939	4,059	2,813	69
California Polytechnic State University, San Luis Obispo	53,745	42,414	11,331	7,882	8,425	6,027	72
Sonoma State University ⁽⁶⁾	26,676	16,470	10,206	3,146	3,286	2,224	68
California State University, Stanislaus	4,442	4,636	(194)	460	492	372	76
	\$ 451,505	\$ 291,552	\$ 159,954	49,361	50,936	36,736	72 %
Interest income	9,177	—	9,177				
Total	\$ 460,682	\$ 291,552	\$ 169,131				

CALIFORNIA STATE UNIVERSITY

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

Year ended June 30, 2020

(Unaudited)

Average annual rates per academic year ⁽⁴⁾

	Residence Halls			Apartments			Suites		
	Single	Double	Triple	Single	Double	Triple	Single	Double	Triple
California State University, Bakersfield	\$ 12,150	9,000	7,650	—	—	—	—	—	—
California State University Channel Islands	10,820	9,740	—	12,670	11,060	—	11,660	10,570	9,210
California State University, Chico	9,430	7,780	6,558	9,430	7,780	—	—	—	—
California State University, Dominguez Hills	—	—	—	—	10,360	—	—	—	—
California State University, East Bay	—	—	—	11,221	9,280	7,275	—	8,920	6,983
California State University, Fullerton	—	12,174	10,574	12,972	9,882	—	—	—	—
Humboldt State University	8,216	6,638	4,938	8,216	6,638	—	—	—	—
California State University, Long Beach	8,994	7,994	6,994	—	—	—	—	—	—
California State University, Los Angeles	—	—	—	11,296	8,725	7,025	—	—	—
California State University Maritime Academy	7,854	6,038	—	—	—	—	—	—	—
California State University, Northridge	—	—	—	12,038	7,054	—	—	6,796	—
California State Polytechnic University, Pomona	11,640	10,158	9,276	—	—	—	13,422	11,076	—
California State University, Sacramento	8,229	7,629	6,466	—	8,483	—	9,082	8,183	—
California State University, San Bernardino	8,229	6,606	—	9,651	—	—	—	—	—
San Diego State University	13,637	11,893	10,357	11,165	9,341	8,149	—	—	—
San Francisco State University ⁽⁵⁾	—	9,656	—	13,448	10,968	10,152	—	—	—
San José State University	10,328	9,060	7,601	14,104	11,211	10,186	17,196	11,466	10,022
California Polytechnic State University, San Luis Obispo	—	8,718	8,283	10,665	10,017	—	—	—	—
Sonoma State University ⁽⁶⁾	9,672	7,424	5,416	12,264	8,352	5,672	—	—	—
California State University, Stanislaus	7,895	—	4,813	8,409	6,970	—	—	—	—
Average annual rates	\$ 9,776	\$ 8,701	\$ 7,411	\$ 11,254	\$ 9,075	\$ 8,077	\$ 12,840	\$ 9,502	\$ 8,738

⁽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⁾ Percent of spaces occupied is based on Operational Capacity. The percentages represent the average academic year occupancy, a portion of which was impacted by the COVID-19 pandemic. Due to virtual instruction for the remainder of the spring 2020 academic term, most housing facilities were closed and capacity reduced significantly.

⁽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 1,207 apartment units that were occupied by students, faculty, and staff. The monthly rates for the one-bedroom, two-bedroom, or three-bedroom units (not bed-spaces) vary between \$2,140 and \$4,325.

⁽⁶⁾ The operational capacity does not include 90 faculty and staff apartment units.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Statement of Insurance Coverage

Year ended June 30, 2020

(Unaudited)

(In thousands)

Expiration date ⁽¹⁾	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
Property Insurance:				
July 1, 2020	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	017471590/06
July 1, 2020	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	017471590/06
General Liability Insurance:				
July 1, 2020	Bodily Injury & Property Damage Liability (Primary)	5,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-1920
July 1, 2020	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 5,000	Ironshore Indemnity Inc.	000541309
July 1, 2020	Bodily Injury & Property Damage Liability (Reinsurance)	10,000 xs 10,000	Argonaut Insurance Company	2902105-01
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 20,000	Great American Insurance Group	1827346
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 25,000	Brit Syndicates Ltd. Syndicate 2987 at Lloyd's	SCP1000819
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 30,000	Hallmark Specialty Insurance Company	77PEF190080
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	15,000 xs 35,000	Gemini Insurance Company	CEX09600368-06
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	50,000 xs 50,000	Multiple	Multiple
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	50,000 xs 100,000	Multiple	Multiple
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	50,000 xs 150,000	XL Insurance Company SE - Irish Branch	IE00020744LI19A
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 200,000	American International Reinsurance Company, Ltd.	28336890
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	50,000 xs 225,000	Multiple	Multiple
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 275,000	Argo Re Ltd.	ARGO-CAS-OCC-001363.1
July 1, 2020	Bodily Injury & Property Damage Liability (Excess)	25,000 xs 300,000	Hamilton Re, Ltd.	CX19-6549
Workers' Compensation and Employer's Liability Insurance:				
July 1, 2020	Workers' Compensation and Employer's Liability	2,500	CSAC Excess Insurance Authority	EIA-PE 19 EWC-143
July 1, 2020	Workers' Compensation and Employer's Liability	in excess of 2,500 up to California Workers' Compensation Statutes	Safety National Casualty Corporation	SP 4060592

⁽¹⁾ Additional insurance policies are maintained for the period from July 1, 2020 through July 1, 2021. 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, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	15,000	15,006
Short-term investments	75,651	328	75,979
Accounts receivable, net	6,602	3,298	9,900
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	735	735
Prepaid expenses and other current assets	299	1	300
Total current assets	<u>82,558</u>	<u>19,362</u>	<u>101,920</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,140	—	1,140
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,349	—	1,349
Pledges receivable, net	—	460	460
Endowment investments	—	25,267	25,267
Other long-term investments	12,915	7,616	20,531
Capital assets, net	149,239	2,440	151,679
Other assets	32	478	510
Total noncurrent assets	<u>164,675</u>	<u>36,261</u>	<u>200,936</u>
Total assets	<u>247,233</u>	<u>55,623</u>	<u>302,856</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>68,550</u>	<u>—</u>	<u>68,550</u>
Liabilities			
Current liabilities:			
Accounts payable	2,527	2,468	4,995
Accrued salaries and benefits	9,106	247	9,353
Accrued compensated absences, current portion	2,238	229	2,467
Unearned revenues	2,469	617	3,086
Capital lease obligations, current portion	182	—	182
Long-term debt obligations, current portion	1,185	—	1,185
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	23	—	23
Other liabilities	1,309	2,500	3,809
Total current liabilities	<u>19,039</u>	<u>6,061</u>	<u>25,100</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,111	—	4,111
Unearned revenues	—	1,188	1,188
Grants refundable	1,952	—	1,952
Capital lease obligations, net of current portion	442	—	442
Long-term debt obligations, net of current portion	48,780	—	48,780
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	291,293	772	292,065
Net pension liability	181,407	—	181,407
Other liabilities	3	—	3
Total noncurrent liabilities	<u>527,988</u>	<u>1,960</u>	<u>529,948</u>
Total liabilities	<u>547,027</u>	<u>8,021</u>	<u>555,048</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>49,673</u>	<u>—</u>	<u>49,673</u>
Net Position			
Net position:			
Net investment in capital assets	99,858	2,440	102,298
Restricted for:			
Nonexpendable – endowments	—	19,727	19,727
Expendable:			
Scholarships and fellowships	73	4,484	4,557
Research	—	—	—
Loans	162	—	162
Capital projects	1,704	—	1,704
Debt service	2	—	2
Others	2,857	7,959	10,816
Unrestricted	(385,573)	12,992	(372,581)
Total net position	<u>\$ (280,917)</u>	<u>47,602</u>	<u>(233,315)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$49,879)	\$ 36,085	8,319	(3,691)	40,713
Grants and contracts, noncapital:				
Federal	1,451	8,606	—	10,057
State	55	950	—	1,005
Local	—	73	—	73
Nongovernmental	206	178	—	384
Sales and services of educational activities	1,905	—	(212)	1,693
Sales and services of auxiliary enterprises (net of scholarship allowances of \$750)	5,143	817	—	5,960
Other operating revenues	829	4,316	(524)	4,621
Total operating revenues	45,674	23,259	(4,427)	64,506
Expenses:				
Operating expenses:				
Instruction	92,102	292	(694)	91,700
Research	431	2,731	(22)	3,140
Public service	370	587	(44)	913
Academic support	23,467	2,877	(1,062)	25,282
Student services	23,569	13,366	(4,327)	32,608
Institutional support	24,872	1,781	—	26,653
Operation and maintenance of plant	15,636	44	—	15,680
Student grants and scholarships	39,895	3,554	—	43,449
Auxiliary enterprise expenses	4,772	—	—	4,772
Depreciation and amortization	9,953	352	—	10,305
Total operating expenses	235,067	25,584	(6,149)	254,502
Operating loss	(189,393)	(2,325)	1,722	(189,996)
Nonoperating revenues (expenses):				
State appropriations, noncapital	104,996	—	—	104,996
Federal financial aid grants, noncapital	33,774	—	—	33,774
State financial aid grants, noncapital	26,481	—	—	26,481
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	6,794	—	—	6,794
Gifts, noncapital	2,318	2,505	(921)	3,902
Investment income, net	2,242	(75)	—	2,167
Endowment income, net	—	481	—	481
Interest expense	(1,947)	—	—	(1,947)
Other nonoperating revenues	11,258	124	(582)	10,800
Net nonoperating income	185,916	3,035	(1,503)	187,448
Income (loss) before other revenues	(3,477)	710	219	(2,548)
State appropriations, capital	400	—	—	400
Grants and gifts, capital	265	—	(219)	46
Additions to permanent endowments	—	2,305	—	2,305
Increase (decrease) in net position	(2,812)	3,015	—	203
Net position:				
Net position at beginning of year	(278,105)	44,587	—	(233,518)
Net position at end of year	\$ (280,917)	47,602	—	(233,315)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 35,495
Federal grants and contracts	2,786
State grants and contracts	142
Local grants and contracts	—
Nongovernmental grants and contracts	200
Payments to suppliers	(26,201)
Payments to employees	(81,832)
Payments for benefits	(42,540)
Payments to students	(40,008)
Collections of student loans	18
Sales and services of educational activities	1,905
Sales and services of auxiliary enterprises	5,208
Other receipts	177
Net cash used in operating activities	<u>(144,650)</u>
Cash flows from noncapital financing activities:	
State appropriations	96,795
Federal financial aid grants	33,774
State financial aid grants	26,481
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	6,794
Gifts and grants received for other than capital purposes	2,318
Federal loan program receipts	33,268
Federal loan program disbursements	(32,846)
Monies received on behalf of others	4,676
Monies disbursed on behalf of others	(5,117)
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	3,703
Net cash provided by noncapital financing activities	<u>169,846</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	917
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	20
Proceeds from sale of capital assets	1,211
Acquisition of capital assets	(6,456)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,470)
Interest paid on capital debt and leases	(2,785)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(8,563)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 258,950
Purchases of investments	(277,248)
Investment income proceeds	1,665
Net cash used in investing activities	<u>(16,633)</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	\$ (189,393)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,953
Change in assets and liabilities:	
Accounts receivable, net	(503)
Student loans receivable, net	(22)
Pledges receivable, net	—
Prepaid expenses and other current assets	362
Other assets	330
Deferred outflows of resources	(1,275)
Accounts payable	753
Accrued salaries and benefits	36
Accrued compensated absences	1,221
Unearned revenues	(704)
Depository accounts	—
Total other postemployment benefits liability	29,762
Net pension liability	12,995
Other liabilities	256
Deferred inflows of resources	(8,421)
Net cash used in operating activities	<u>\$ (144,650)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 8,201
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	298
Contributed capital assets	244
Change in accrued capital asset purchases	355

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,989
Payments from discretely presented component units for other than salaries	7,750
Payments to discretely presented component units for services, space, and programs	4,604
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	3,946
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,291)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	89
Payments to the Office of the Chancellor for state pro rata charges	38
Accounts receivable from the Office of the Chancellor	68
Accounts payable to the Office of the Chancellor	(3)
Accounts receivable from campuses other than the Office of the Chancellor	2
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,032
Other interagency payments (receipts) for services, space, and programs	26

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 4	7,772	7,776
Short-term investments	124,670	1,010	125,680
Accounts receivable, net	8,126	5,548	13,674
Capital lease receivable, current portion	1,275	—	1,275
Notes receivable, current portion	1,820	10	1,830
Pledges receivable, net	—	1,505	1,505
Prepaid expenses and other current assets	1,268	94	1,362
Total current assets	<u>137,163</u>	<u>15,939</u>	<u>153,102</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	14,062	14,062
Accounts receivable, net	229	—	229
Capital lease receivable, net of current portion	34,505	—	34,505
Notes receivable, net of current portion	48,585	—	48,585
Student loans receivable, net	26	—	26
Pledges receivable, net	—	53	53
Endowment investments	—	15,316	15,316
Other long-term investments	1,232	6,449	7,681
Capital assets, net	346,110	36,016	382,126
Other assets	4,652	4,953	9,605
Total noncurrent assets	<u>435,339</u>	<u>76,849</u>	<u>512,188</u>
Total assets	<u>572,502</u>	<u>92,788</u>	<u>665,290</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>55,939</u>	<u>—</u>	<u>55,939</u>
Liabilities			
Current liabilities:			
Accounts payable	6,194	2,985	9,179
Accrued salaries and benefits	776	55	831
Accrued compensated absences, current portion	2,113	18	2,131
Unearned revenues	2,147	326	2,473
Capital lease obligations, current portion	—	1,275	1,275
Long-term debt obligations, current portion	6,200	1,833	8,033
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	3,381	1,697	5,078
Total current liabilities	<u>20,811</u>	<u>8,189</u>	<u>29,000</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,169	173	3,342
Unearned revenues	—	—	—
Grants refundable	—	—	—
Capital lease obligations, net of current portion	—	36,912	36,912
Long-term debt obligations, net of current portion	210,103	48,759	258,862
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	152	152
Total other postemployment benefits liability	205,629	—	205,629
Net pension liability	160,294	—	160,294
Other liabilities	306	167	473
Total noncurrent liabilities	<u>579,501</u>	<u>86,163</u>	<u>665,664</u>
Total liabilities	<u>600,312</u>	<u>94,352</u>	<u>694,664</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>36,043</u>	<u>—</u>	<u>36,043</u>
Net Position			
Net position:			
Net investment in capital assets	224,373	2,478	226,851
Restricted for:			
Nonexpendable – endowments	—	8,110	8,110
Expendable:			
Scholarships and fellowships	4	1,088	1,092
Research	—	360	360
Loans	36	2,488	2,524
Capital projects	161	11,944	12,105
Debt service	1,150	5,000	6,150
Others	877	10,752	11,629
Unrestricted	(234,515)	(43,784)	(278,299)
Total net position	<u>\$ (7,914)</u>	<u>(1,564)</u>	<u>(9,478)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,814)	\$ 27,333	2,027	—	29,360
Grants and contracts, noncapital:				
Federal	4,997	—	—	4,997
State	1,103	—	—	1,103
Local	1	—	—	1
Nongovernmental	851	—	34	885
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,274)	14,754	—	—	14,754
Other operating revenues	6,216	10,920	—	17,136
Total operating revenues	55,255	12,947	34	68,236
Expenses:				
Operating expenses:				
Instruction	64,094	741	77	64,912
Research	3,289	24	—	3,313
Public service	323	6,624	—	6,947
Academic support	24,339	835	23	25,197
Student services	18,186	1,672	19	19,877
Institutional support	24,142	1,550	2	25,694
Operation and maintenance of plant	28,135	1,122	—	29,257
Student grants and scholarships	19,362	727	—	20,089
Auxiliary enterprise expenses	5,213	5,626	—	10,839
Depreciation and amortization	15,814	1,545	—	17,359
Total operating expenses	202,897	20,466	121	223,484
Operating loss	(147,642)	(7,519)	(87)	(155,248)
Nonoperating revenues (expenses):				
State appropriations, noncapital	109,059	—	—	109,059
Federal financial aid grants, noncapital	18,388	—	—	18,388
State financial aid grants, noncapital	15,793	—	—	15,793
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	189	—	189
Other federal nonoperating grants, noncapital	3,379	111	—	3,490
Gifts, noncapital	35	2,550	—	2,585
Investment income, net	2,384	1,173	—	3,557
Endowment income (loss), net	—	—	—	—
Interest expense	(8,654)	(483)	—	(9,137)
Other nonoperating revenues	7,777	4,302	—	12,079
Net nonoperating income	148,161	7,842	—	156,003
Income before other revenues	519	323	(87)	755
State appropriations, capital	(51)	—	—	(51)
Grants and gifts, capital	87	—	87	174
Additions to permanent endowments	—	193	—	193
Increase in net position	555	516	—	1,071
Net position:				
Net position at beginning of year	(8,469)	(2,080)	—	(10,549)
Net position at end of year	\$ (7,914)	(1,564)	—	(9,478)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 27,169
Federal grants and contracts	4,383
State grants and contracts	1,104
Local grants and contracts	1
Nongovernmental grants and contracts	1,086
Payments to suppliers	(30,019)
Payments to employees	(74,858)
Payments for benefits	(38,882)
Payments to students	(20,396)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	12,606
Other receipts	7,144
Net cash used in operating activities	<u>(110,662)</u>
Cash flows from noncapital financing activities:	
State appropriations	103,435
Federal financial aid grants	18,232
State financial aid grants	15,779
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	3,354
Gifts and grants received for other than capital purposes	35
Federal loan program receipts	24,906
Federal loan program disbursements	(24,910)
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	(2,950)
Interest paid on long-term debt	(4,231)
Issuance of notes receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	1,725
Interest collections on notes receivable	2,563
Other noncapital financing activities	7,691
Net cash provided by noncapital financing activities	<u>145,629</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	649
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	2
Acquisition of capital assets	(4,365)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,033)
Interest paid on capital debt and leases	(9,562)
Principal collection on capital leases	1,225
Interest collection on capital leases	1,668
Net cash used in capital and related financing activities	<u>(13,416)</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 216,666
Purchases of investments	(239,816)
Investment income proceeds	1,599
Net cash used in investing activities	<u>(21,551)</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	\$ (147,642)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,814
Change in assets and liabilities:	
Accounts receivable, net	(622)
Student loans receivable, net	(10)
Pledges receivable, net	—
Prepaid expenses and other current assets	176
Other assets	179
Deferred outflows of resources	2,665
Accounts payable	(669)
Accrued salaries and benefits	(269)
Accrued compensated absences	767
Unearned revenues	(1,908)
Depository accounts	—
Total other postemployment benefits liability	19,584
Net pension liability	7,780
Other liabilities	(283)
Deferred inflows of resources	(6,224)
Net cash used in operating activities	<u>\$ (110,662)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 5,624
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	1,121
Contributed capital assets	87
Change in accrued capital asset purchases	29

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,862
Payments from discretely presented component units for other than salaries	7,367
Payments to discretely presented component units for services, space, and programs	5,169
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	2,568
Other amounts receivable from discretely presented component units	36
Accounts payable to discretely presented component units	(3,861)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	107
Payments to the Office of the Chancellor for state pro rata charges	62
Accounts receivable from the Office of the Chancellor	161
Accounts payable to the Office of the Chancellor	(51)
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	707
Other interagency payments (receipts) for services, space, and programs	9

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 8	10,308	10,316
Short-term investments	122,383	36,156	158,539
Accounts receivable, net	13,540	13,531	27,071
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,889	1,889
Prepaid expenses and other current assets	2,746	525	3,271
Total current assets	<u>138,677</u>	<u>62,409</u>	<u>201,086</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	982	982
Accounts receivable, net	2,955	—	2,955
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,696	—	1,696
Pledges receivable, net	—	4,940	4,940
Endowment investments	—	61,418	61,418
Other long-term investments	38,765	16,541	55,306
Capital assets, net	356,020	13,164	369,184
Other assets	42	685	727
Total noncurrent assets	<u>399,478</u>	<u>97,730</u>	<u>497,208</u>
Total assets	<u>538,155</u>	<u>160,139</u>	<u>698,294</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>115,666</u>	<u>1,378</u>	<u>117,044</u>
Liabilities			
Current liabilities:			
Accounts payable	13,421	3,725	17,146
Accrued salaries and benefits	14,888	2,399	17,287
Accrued compensated absences, current portion	3,713	689	4,402
Unearned revenues	2,737	2,831	5,568
Capital lease obligations, current portion	694	—	694
Long-term debt obligations, current portion	4,565	110	4,675
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	202	—	202
Other liabilities	1,660	1,205	2,865
Total current liabilities	<u>41,880</u>	<u>10,959</u>	<u>52,839</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,460	321	4,781
Unearned revenues	—	3,690	3,690
Grants refundable	3,463	—	3,463
Capital lease obligations, net of current portion	3,540	—	3,540
Long-term debt obligations, net of current portion	127,386	2,173	129,559
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	649,213	1,033	650,246
Net pension liability	298,583	—	298,583
Other liabilities	—	551	551
Total noncurrent liabilities	<u>1,086,645</u>	<u>7,768</u>	<u>1,094,413</u>
Total liabilities	<u>1,128,525</u>	<u>18,727</u>	<u>1,147,252</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>107,620</u>	<u>924</u>	<u>108,544</u>
Net Position			
Net position:			
Net investment in capital assets	229,582	10,881	240,463
Restricted for:			
Nonexpendable – endowments	—	58,673	58,673
Expendable:			
Scholarships and fellowships	3	2,341	2,344
Research	—	4,351	4,351
Loans	602	—	602
Capital projects	2,664	1,703	4,367
Debt service	211	—	211
Others	—	26,745	26,745
Unrestricted	(815,386)	37,172	(778,214)
Total net position	<u>\$ (582,324)</u>	<u>141,866</u>	<u>(440,458)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$64,446)	\$ 68,107	9,500	—	77,607
Grants and contracts, noncapital:				
Federal	—	22,951	—	22,951
State	16	7,752	—	7,768
Local	—	1,421	—	1,421
Nongovernmental	—	2,288	—	2,288
Sales and services of educational activities	152	4,259	—	4,411
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,891)	17,349	12,528	—	29,877
Other operating revenues	7,358	2,069	—	9,427
Total operating revenues	92,982	62,768	—	155,750
Expenses:				
Operating expenses:				
Instruction	133,587	2,956	(593)	135,950
Research	1,094	3,191	(120)	4,165
Public service	1,663	23,297	(50)	24,910
Academic support	30,157	4,408	(226)	34,339
Student services	39,864	7,616	(541)	46,939
Institutional support	38,343	8,238	(691)	45,890
Operation and maintenance of plant	39,920	3,530	—	43,450
Student grants and scholarships	46,141	4,029	(2,574)	47,596
Auxiliary enterprise expenses	19,970	11,077	—	31,047
Depreciation and amortization	17,173	1,908	—	19,081
Total operating expenses	367,912	70,250	(4,795)	433,367
Operating loss	(274,930)	(7,482)	4,795	(277,617)
Nonoperating revenues (expenses):				
State appropriations, noncapital	175,559	—	—	175,559
Federal financial aid grants, noncapital	38,188	—	—	38,188
State financial aid grants, noncapital	30,792	—	—	30,792
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	2,746	—	(2,746)	—
Other federal nonoperating grants, noncapital	11,193	—	—	11,193
Gifts, noncapital	1,100	6,343	(1,100)	6,343
Investment income, net	3,761	642	—	4,403
Endowment loss, net	—	(1,175)	—	(1,175)
Interest expense	(5,134)	(69)	—	(5,203)
Other nonoperating revenues	61,861	99	—	61,960
Net nonoperating income	320,066	5,840	(3,846)	322,060
Income (loss) before other revenues	45,136	(1,642)	949	44,443
State appropriations, capital	—	—	—	—
Grants and gifts, capital	961	449	(949)	461
Additions to permanent endowments	—	1,529	—	1,529
Increase in net position	46,097	336	—	46,433
Net position:				
Net position at beginning of year	(628,421)	141,530	—	(486,891)
Net position at end of year	<u>\$ (582,324)</u>	<u>141,866</u>	<u>—</u>	<u>(440,458)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 65,922
Federal grants and contracts	—
State grants and contracts	18
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(53,681)
Payments to employees	(134,576)
Payments for benefits	(71,419)
Payments to students	(46,117)
Collections of student loans	575
Sales and services of educational activities	152
Sales and services of auxiliary enterprises	16,082
Other receipts	7,417
Net cash used in operating activities	<u>(215,627)</u>
Cash flows from noncapital financing activities:	
State appropriations	158,100
Federal financial aid grants	38,188
State financial aid grants	30,670
Nongovernmental and other financial aid grants	2,746
Other federal nonoperating grants	11,193
Gifts and grants received for other than capital purposes	1,100
Federal loan program receipts	52,297
Federal loan program disbursements	(52,960)
Monies received on behalf of others	10,255
Monies disbursed on behalf of others	(10,225)
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	53,904
Net cash provided by noncapital financing activities	<u>295,268</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	8,705
State appropriations	1,577
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	256
Proceeds from sale of capital assets	21
Acquisition of capital assets	(52,661)
Transfers to escrow agent	(8,676)
Principal paid on capital debt and leases	(4,936)
Interest paid on capital debt and leases	(6,583)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(62,297)</u>

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 389,521
Purchases of investments	(409,666)
Investment income proceeds	2,801
Net cash used in investing activities	<u>(17,344)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	8
Cash and cash equivalents at end of year	<u>\$ 8</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 8
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 8</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (274,930)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,173
Change in assets and liabilities:	
Accounts receivable, net	607
Student loans receivable, net	104
Pledges receivable, net	—
Prepaid expenses and other current assets	(443)
Other assets	—
Deferred outflows of resources	(5,384)
Accounts payable	(451)
Accrued salaries and benefits	(401)
Accrued compensated absences	842
Unearned revenues	(2,354)
Depository accounts	—
Total other postemployment benefits liability	59,044
Net pension liability	10,756
Other liabilities	501
Deferred inflows of resources	(20,691)
Net cash used in operating activities	<u>\$ (215,627)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 17,458
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	842
Contributed capital assets	265
Change in accrued capital asset purchases	5,252

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,358
Payments from discretely presented component units for other than salaries	6,437
Payments to discretely presented component units for services, space, and programs	17,775
Gifts in kind from discretely presented component units	308
Gifts (cash or assets) from discretely presented component units	1,741
Accounts receivable from discretely presented component units	220
Other amounts receivable from discretely presented component units	440
Accounts payable to discretely presented component units	(64)
Other amounts payable to discretely presented component units	(84)
Payments to the Office of the Chancellor for administrative activities	132
Payments to the Office of the Chancellor for state pro rata charges	41
Accounts receivable from the Office of the Chancellor	10,117
Accounts payable to the Office of the Chancellor	(11)
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	1,628
Other interagency payments (receipts) for services, space, and programs	(518)

See accompanying independent auditors' report.



NATION'S LARGEST
four-year public
university system

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 2,078	4,743	6,821
Short-term investments	73,527	10,784	84,311
Accounts receivable, net	13,571	2,170	15,741
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	—	—
Prepaid expenses and other current assets	469	100	569
Total current assets	<u>89,645</u>	<u>17,797</u>	<u>107,442</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	8,409	8,409
Accounts receivable, net	—	263	263
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	654	—	654
Pledges receivable, net	—	—	—
Endowment investments	—	13,068	13,068
Other long-term investments	7,293	10,522	17,815
Capital assets, net	320,931	2,312	323,243
Other assets	50	104	154
Total noncurrent assets	<u>328,928</u>	<u>34,678</u>	<u>363,606</u>
Total assets	<u>418,573</u>	<u>52,475</u>	<u>471,048</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>89,232</u>	<u>754</u>	<u>89,986</u>
Liabilities			
Current liabilities:			
Accounts payable	11,099	467	11,566
Accrued salaries and benefits	12,119	112	12,231
Accrued compensated absences, current portion	2,852	378	3,230
Unearned revenues	7,263	222	7,485
Capital lease obligations, current portion	1,244	—	1,244
Long-term debt obligations, current portion	1,340	—	1,340
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	153	—	153
Other liabilities	3,029	824	3,853
Total current liabilities	<u>39,099</u>	<u>2,003</u>	<u>41,102</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,027	33	6,060
Unearned revenues	—	—	—
Grants refundable	660	—	660
Capital lease obligations, net of current portion	3,300	—	3,300
Long-term debt obligations, net of current portion	71,404	526	71,930
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	10,973	10,973
Total other postemployment benefits liability	386,295	2,470	388,765
Net pension liability	231,723	2,143	233,866
Other liabilities	—	—	—
Total noncurrent liabilities	<u>699,409</u>	<u>16,145</u>	<u>715,554</u>
Total liabilities	<u>738,508</u>	<u>18,148</u>	<u>756,656</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>65,581</u>	<u>442</u>	<u>66,023</u>
Net Position			
Net position:			
Net investment in capital assets	246,088	2,312	248,400
Restricted for:			
Nonexpendable – endowments	—	12,728	12,728
Expendable:			
Scholarships and fellowships	14	7,801	7,815
Research	—	—	—
Loans	391	—	391
Capital projects	1,481	—	1,481
Debt service	1,169	—	1,169
Others	0	860	860
Unrestricted	(545,427)	10,938	(534,489)
Total net position	<u>\$ (296,284)</u>	<u>34,639</u>	<u>(261,645)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$72,149)	\$ 54,044	5,370	—	59,414
Grants and contracts, noncapital:				
Federal	—	11,010	—	11,010
State	—	408	—	408
Local	—	—	—	—
Nongovernmental	—	36	—	36
Sales and services of educational activities	182	—	—	182
Sales and services of auxiliary enterprises (net of scholarship allowances of \$2,042)	6,727	3,854	—	10,581
Other operating revenues	5,074	1,736	—	6,810
Total operating revenues	66,027	22,414	—	88,441
Expenses:				
Operating expenses:				
Instruction	121,178	4,250	—	125,428
Research	975	3,282	(7)	4,250
Public service	1,396	—	—	1,396
Academic support	35,479	2,690	—	38,169
Student services	30,391	4,683	(499)	34,575
Institutional support	29,501	1,256	—	30,757
Operation and maintenance of plant	30,229	64	—	30,293
Student grants and scholarships	50,484	883	(862)	50,505
Auxiliary enterprise expenses	5,872	8,346	(353)	13,865
Depreciation and amortization	12,114	444	—	12,558
Total operating expenses	317,619	25,898	(1,721)	341,796
Operating loss	(251,592)	(3,484)	1,721	(253,355)
Nonoperating revenues (expenses):				
State appropriations, noncapital	146,000	—	—	146,000
Federal financial aid grants, noncapital	49,811	—	—	49,811
State financial aid grants, noncapital	33,129	—	—	33,129
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	0	—	—	—
Other federal nonoperating grants, noncapital	8,784	—	—	8,784
Gifts, noncapital	1,368	2,550	(1,368)	2,550
Investment income, net	2,816	(516)	—	2,300
Endowment income, net	—	277	—	277
Interest expense	(2,804)	(1)	—	(2,805)
Other nonoperating revenues	36,674	35	—	36,709
Net nonoperating income	275,778	2,345	(1,368)	276,755
Income (loss) before other revenues	24,186	(1,139)	353	23,400
State appropriations, capital	—	—	—	—
Grants and gifts, capital	353	—	(353)	0
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	24,539	(1,139)	—	23,400
Net position:				
Net position at beginning of year	(320,823)	35,778	—	(285,045)
Net position at end of year	\$ (296,284)	34,639	—	(261,645)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 49,076
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(36,429)
Payments to employees	(120,852)
Payments for benefits	(57,614)
Payments to students	(50,713)
Collections of student loans	3
Sales and services of educational activities	182
Sales and services of auxiliary enterprises	6,622
Other receipts	5,758
Net cash used in operating activities	<u>(203,967)</u>
Cash flows from noncapital financing activities:	
State appropriations	135,682
Federal financial aid grants	49,799
State financial aid grants	32,575
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	8,784
Gifts and grants received for other than capital purposes	1,368
Federal loan program receipts	45,943
Federal loan program disbursements	(46,066)
Monies received on behalf of others	5,084
Monies disbursed on behalf of others	(4,986)
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	33,483
Net cash provided by noncapital financing activities	<u>261,666</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	353
Proceeds from sale of capital assets	9
Acquisition of capital assets	(85,676)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,036)
Interest paid on capital debt and leases	(3,520)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(91,870)</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 410,335
Purchases of investments	(378,213)
Investment income proceeds	2,633
Net cash provided by investing activities	<u>34,755</u>
Net increase in cash and cash equivalents	584
Cash and cash equivalents at beginning of year	1,494
Cash and cash equivalents at end of year	<u>\$ 2,078</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 2,078
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 2,078</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (251,592)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	12,114
Change in assets and liabilities:	
Accounts receivable, net	(2,214)
Student loans receivable, net	(15)
Pledges receivable, net	—
Prepaid expenses and other current assets	6
Other assets	—
Deferred outflows of resources	(8,722)
Accounts payable	34
Accrued salaries and benefits	(131)
Accrued compensated absences	1,577
Unearned revenues	(2,235)
Depository accounts	—
Total other postemployment benefits liability	38,441
Net pension liability	20,284
Other liabilities	(307)
Deferred inflows of resources	(11,207)
Net cash used in operating activities	<u>\$ (203,967)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 10,317
Acquisition of capital assets through capital lease	5,252
Other assets paid through long-term debt	—
Amortization of net bond premium	513
Contributed capital assets	—
Change in accrued capital asset purchases	3,524

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,221
Payments from discretely presented component units for other than salaries	3,617
Payments to discretely presented component units for services, space, and programs	1,849
Gifts in kind from discretely presented component units	142
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	443
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(13)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	142
Payments to the Office of the Chancellor for state pro rata charges	93
Accounts receivable from the Office of the Chancellor	5,661
Accounts payable to the Office of the Chancellor	(2)
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	1,260
Other interagency payments (receipts) for services, space, and programs	243

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 18	1,921	1,939
Short-term investments	121,515	26,682	148,197
Accounts receivable, net	13,596	4,244	17,840
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	687	687
Prepaid expenses and other current assets	1,048	1	1,049
Total current assets	<u>136,177</u>	<u>33,535</u>	<u>169,712</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,088	—	1,088
Pledges receivable, net	—	899	899
Endowment investments	—	13,956	13,956
Other long-term investments	8,229	—	8,229
Capital assets, net	219,295	4,130	223,425
Other assets	51	—	51
Total noncurrent assets	<u>228,663</u>	<u>18,985</u>	<u>247,648</u>
Total assets	<u>364,840</u>	<u>52,520</u>	<u>417,360</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>86,671</u>	<u>1,657</u>	<u>88,328</u>
Liabilities			
Current liabilities:			
Accounts payable	13,285	3,166	16,451
Accrued salaries and benefits	14,069	27	14,096
Accrued compensated absences, current portion	4,365	49	4,414
Unearned revenues	4,970	2,157	7,127
Capital lease obligations, current portion	779	—	779
Long-term debt obligations, current portion	3,045	250	3,295
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	344	3,153	3,497
Other liabilities	1,339	15	1,354
Total current liabilities	<u>42,196</u>	<u>8,817</u>	<u>51,013</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,388	—	4,388
Unearned revenues	—	—	—
Grants refundable	1,366	—	1,366
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	90,108	1,297	91,405
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	525,297	2,812	528,109
Net pension liability	270,506	6,791	277,297
Other liabilities	451	—	451
Total noncurrent liabilities	<u>892,116</u>	<u>10,900</u>	<u>903,016</u>
Total liabilities	<u>934,312</u>	<u>19,717</u>	<u>954,029</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>87,933</u>	<u>809</u>	<u>88,742</u>
Net Position			
Net position:			
Net investment in capital assets	121,719	2,572	124,291
Restricted for:			
Nonexpendable – endowments	—	13,956	13,956
Expendable:			
Scholarships and fellowships	1,470	1,298	2,768
Research	—	—	—
Loans	554	—	554
Capital projects	6,820	318	7,138
Debt service	4	—	4
Others	2,168	3,326	5,494
Unrestricted	(703,469)	12,181	(691,288)
Total net position	<u>\$ (570,734)</u>	<u>33,651</u>	<u>(537,083)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$51,421)	\$ 85,055	1,835	—	86,890
Grants and contracts, noncapital:				
Federal	—	11,407	—	11,407
State	—	996	—	996
Local	8	—	—	8
Nongovernmental	—	884	—	884
Sales and services of educational activities	67	—	—	67
Sales and services of auxiliary enterprises (net of scholarship allowances of \$4,976)	9,435	—	—	9,435
Other operating revenues	9,433	319	—	9,752
Total operating revenues	<u>103,998</u>	<u>15,441</u>	<u>—</u>	<u>119,439</u>
Expenses:				
Operating expenses:				
Instruction	121,012	1,349	—	122,361
Research	1,670	2,928	—	4,598
Public service	2,982	7,267	—	10,249
Academic support	60,832	743	—	61,575
Student services	38,120	1,000	—	39,120
Institutional support	26,227	—	—	26,227
Operation and maintenance of plant	30,946	—	—	30,946
Student grants and scholarships	29,960	233	—	30,193
Auxiliary enterprise expenses	(10,411)	5,883	(2,166)	(6,694)
Depreciation and amortization	14,042	187	—	14,229
Total operating expenses	<u>315,380</u>	<u>19,590</u>	<u>(2,166)</u>	<u>332,804</u>
Operating loss	<u>(211,382)</u>	<u>(4,149)</u>	<u>2,166</u>	<u>(213,365)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	139,670	—	—	139,670
Federal financial aid grants, noncapital	33,342	—	—	33,342
State financial aid grants, noncapital	23,569	—	—	23,569
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	711	—	—	711
Other federal nonoperating grants, noncapital	6,272	—	—	6,272
Gifts, noncapital	1,367	1,425	(2,078)	714
Investment income, net	3,033	(2,034)	—	999
Endowment income, net	—	190	—	190
Interest expense	(3,946)	(39)	—	(3,985)
Other nonoperating revenues	15,969	208	—	16,177
Net nonoperating revenues (expenses)	<u>219,987</u>	<u>(250)</u>	<u>(2,078)</u>	<u>217,659</u>
Income (loss) before other revenues	8,605	(4,399)	88	4,294
State appropriations, capital	—	—	—	—
Grants and gifts, capital	88	80	(88)	80
Additions to permanent endowments	—	903	—	903
Increase (decrease) in net position	<u>8,693</u>	<u>(3,416)</u>	<u>—</u>	<u>5,277</u>
Net position:				
Net position at beginning of year	<u>(579,427)</u>	<u>37,067</u>	<u>—</u>	<u>(542,360)</u>
Net position at end of year	<u>\$ (570,734)</u>	<u>33,651</u>	<u>—</u>	<u>(537,083)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 76,220
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	21
Nongovernmental grants and contracts	—
Payments to suppliers	(55,107)
Payments to employees	(120,932)
Payments for benefits	(61,809)
Payments to students	(30,006)
Collections of student loans	36
Sales and services of educational activities	67
Sales and services of auxiliary enterprises	9,436
Other receipts	9,014
Net cash used in operating activities	<u>(173,060)</u>
Cash flows from noncapital financing activities:	
State appropriations	125,842
Federal financial aid grants	33,457
State financial aid grants	23,569
Nongovernmental and other financial aid grants	711
Other federal nonoperating grants	6,272
Gifts and grants received for other than capital purposes	1,367
Federal loan program receipts	49,833
Federal loan program disbursements	(50,260)
Monies received on behalf of others	731
Monies disbursed on behalf of others	(692)
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	15,437
Net cash provided by noncapital financing activities	<u>206,267</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	1,329
State appropriations	684
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	88
Proceeds from sale of capital assets	131
Acquisition of capital assets	(8,511)
Transfers to escrow agent	(1,327)
Principal paid on capital debt and leases	(3,677)
Interest paid on capital debt and leases	(4,730)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(16,013)</u>

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 374,191
Purchases of investments	(393,613)
Investment income proceeds	2,228
Net cash used in investing activities	<u>(17,194)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	18
Cash and cash equivalents at end of year	<u>\$ 18</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 18
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 18</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (211,382)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,042
Change in assets and liabilities:	
Accounts receivable, net	(6,547)
Student loans receivable, net	8
Pledges receivable, net	—
Prepaid expenses and other current assets	160
Other assets	—
Deferred outflows of resources	4,470
Accounts payable	659
Accrued salaries and benefits	697
Accrued compensated absences	1,375
Unearned revenues	(2,435)
Depository accounts	—
Total other postemployment benefits liability	42,094
Net pension liability	1,587
Other liabilities	211
Deferred inflows of resources	<u>(17,999)</u>
Net cash used in operating activities	<u>\$ (173,060)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 13,828
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	629
Contributed capital assets	—
Change in accrued capital asset purchases	7,080

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,594
Payments from discretely presented component units for other than salaries	2,207
Payments to discretely presented component units for services, space, and programs	198
Gifts in kind from discretely presented component units	8
Gifts (cash or assets) from discretely presented component units	2,166
Accounts receivable from discretely presented component units	2,754
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,472
Payments to the Office of the Chancellor for state pro rata charges	68
Accounts receivable from the Office of the Chancellor	7,776
Accounts payable to the Office of the Chancellor	(7)
Accounts receivable from campuses other than the Office of the Chancellor	23
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,358
Other interagency payments (receipts) for services, space, and programs	185

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 69	12,096	12,165
Short-term investments	89,724	78,583	168,307
Accounts receivable, net	9,668	27,364	37,032
Capital lease receivable, current portion	3,955	—	3,955
Notes receivable, current portion	—	6	6
Pledges receivable, net	—	5,880	5,880
Prepaid expenses and other current assets	822	1,785	2,607
Total current assets	<u>104,238</u>	<u>125,714</u>	<u>229,952</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	299	299
Accounts receivable, net	—	50	50
Capital lease receivable, net of current portion	39,235	—	39,235
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,631	369	2,000
Pledges receivable, net	—	17,601	17,601
Endowment investments	668	157,914	158,582
Other long-term investments	6,958	14,324	21,282
Capital assets, net	222,831	74,855	297,686
Other assets	196	455	651
Total noncurrent assets	<u>271,519</u>	<u>265,867</u>	<u>537,386</u>
Total assets	<u>375,757</u>	<u>391,581</u>	<u>767,338</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>140,179</u>	<u>1,307</u>	<u>141,486</u>
Liabilities			
Current liabilities:			
Accounts payable	11,051	10,106	21,157
Accrued salaries and benefits	22,066	2,123	24,189
Accrued compensated absences, current portion	4,629	206	4,835
Unearned revenues	2,525	6,336	8,861
Capital lease obligations, current portion	2,364	1,965	4,329
Long-term debt obligations, current portion	2,685	526	3,211
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	231	346	577
Other liabilities	6,662	3,506	10,168
Total current liabilities	<u>52,213</u>	<u>25,114</u>	<u>77,327</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	7,305	600	7,905
Unearned revenues	—	695	695
Grants refundable	1,705	—	1,705
Capital lease obligations, net of current portion	28,460	46,745	75,205
Long-term debt obligations, net of current portion	62,065	4,222	66,287
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	3,006	3,006
Total other postemployment benefits liability	713,146	9,032	722,178
Net pension liability	384,880	2,865	387,745
Other liabilities	1,134	1,848	2,982
Total noncurrent liabilities	<u>1,198,695</u>	<u>69,013</u>	<u>1,267,708</u>
Total liabilities	<u>1,250,908</u>	<u>94,127</u>	<u>1,345,035</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>119,813</u>	<u>2,272</u>	<u>122,085</u>
Net Position			
Net position:			
Net investment in capital assets	173,759	23,443	197,202
Restricted for:			
Nonexpendable – endowments	668	124,177	124,845
Expendable:			
Scholarships and fellowships	384	37,184	37,568
Research	110	—	110
Loans	649	1,833	2,482
Capital projects	1,902	94	1,996
Debt service	602	—	602
Others	204	58,288	58,492
Unrestricted	(1,033,063)	51,470	(981,593)
Total net position	<u>\$ (854,785)</u>	<u>296,489</u>	<u>(558,296)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$112,153)	\$ 68,629	5,887	—	74,516
Grants and contracts, noncapital:				
Federal	122	19,898	—	20,020
State	386	10,409	—	10,795
Local	—	—	—	—
Nongovernmental	2	3,537	—	3,539
Sales and services of educational activities	358	—	—	358
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	4,215	55,277	—	59,492
Other operating revenues	10,643	3,570	—	14,213
Total operating revenues	<u>84,355</u>	<u>98,578</u>	<u>—</u>	<u>182,933</u>
Expenses:				
Operating expenses:				
Instruction	197,469	11,796	—	209,265
Research	2,756	6,907	—	9,663
Public service	4,286	17,199	—	21,485
Academic support	35,970	967	(574)	36,363
Student services	60,474	362	—	60,836
Institutional support	42,373	194	—	42,567
Operation and maintenance of plant	55,115	1,536	—	56,651
Student grants and scholarships	89,164	10,732	(4,711)	95,185
Auxiliary enterprise expenses	6,190	68,301	(1,463)	73,028
Depreciation and amortization	15,941	5,350	—	21,291
Total operating expenses	<u>509,738</u>	<u>123,344</u>	<u>(6,748)</u>	<u>626,334</u>
Operating loss	<u>(425,383)</u>	<u>(24,766)</u>	<u>6,748</u>	<u>(443,401)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	223,168	—	—	223,168
Federal financial aid grants, noncapital	68,405	—	—	68,405
State financial aid grants, noncapital	56,750	—	—	56,750
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	5,033	—	(5,032)	1
Other federal nonoperating grants, noncapital	16,689	—	—	16,689
Gifts, noncapital	726	28,811	(352)	29,185
Investment income, net	5,588	2,334	—	7,922
Endowment income, net	18	3,567	—	3,585
Interest expense	(3,677)	(64)	—	(3,741)
Other nonoperating revenues (expenses)	3,965	(4,658)	—	(693)
Net nonoperating revenues	<u>376,665</u>	<u>29,990</u>	<u>(5,384)</u>	<u>401,271</u>
Income (loss) before other revenues	<u>(48,718)</u>	<u>5,224</u>	<u>1,364</u>	<u>(42,130)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,472	119	(1,364)	227
Additions to permanent endowments	—	2,889	—	2,889
Increase (decrease) in net position	<u>(47,246)</u>	<u>8,232</u>	<u>—</u>	<u>(39,014)</u>
Net position:				
Net position at beginning of year	<u>(807,539)</u>	<u>288,257</u>	<u>—</u>	<u>(519,282)</u>
Net position at end of year	<u>\$ (854,785)</u>	<u>296,489</u>	<u>—</u>	<u>(558,296)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 68,790
Federal grants and contracts	133
State grants and contracts	240
Local grants and contracts	—
Nongovernmental grants and contracts	2
Payments to suppliers	(67,872)
Payments to employees	(179,535)
Payments for benefits	(93,519)
Payments to students	(88,963)
Collections of student loans	18
Sales and services of educational activities	358
Sales and services of auxiliary enterprises	4,217
Other receipts	9,601
Net cash used in operating activities	<u>(346,530)</u>
Cash flows from noncapital financing activities:	
State appropriations	203,107
Federal financial aid grants	69,239
State financial aid grants	56,750
Nongovernmental and other financial aid grants	5,033
Other federal nonoperating grants	16,689
Gifts and grants received for other than capital purposes	726
Federal loan program receipts	53,213
Federal loan program disbursements	(53,388)
Monies received on behalf of others	1,917
Monies disbursed on behalf of others	(1,900)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(1,965)
Interest paid on long-term debt	(1,851)
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	3,101
Net cash provided by noncapital financing activities	<u>350,671</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	9,265
State appropriations	21
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	22
Acquisition of capital assets	(13,568)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(3,018)
Interest paid on capital debt and leases	(1,998)
Principal collection on capital leases	1,855
Interest collection on capital leases	1,581
Net cash used in capital and related financing activities	<u>(5,840)</u>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 570,290
Purchases of investments	(571,766)
Investment income proceeds	3,232
Net cash provided by investing activities	<u>1,756</u>
Net increase in cash and cash equivalents	57
Cash and cash equivalents at beginning of year	<u>12</u>
Cash and cash equivalents at end of year	<u>\$ 69</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 69
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 69</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (425,383)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,941
Change in assets and liabilities:	
Accounts receivable, net	(302)
Student loans receivable, net	(106)
Pledges receivable, net	—
Prepaid expenses and other current assets	55
Other assets	—
Deferred outflows of resources	1,367
Accounts payable	399
Accrued salaries and benefits	(704)
Accrued compensated absences	1,080
Unearned revenues	(467)
Depository accounts	128
Total other postemployment benefits liability	63,159
Net pension liability	21,264
Other liabilities	(172)
Deferred inflows of resources	(22,789)
Net cash used in operating activities	<u>\$ (346,530)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 20,061
Acquisition of capital asset through capital lease obligations	1,361
Other assets paid through long-term debt	—
Amortization of net bond premium	157
Contributed capital assets	1,472
Change in accrued capital asset purchases	2,331

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,756
Payments from discretely presented component units for other than salaries	1,694
Payments to discretely presented component units for services, space, and programs	13,604
Gifts in kind from discretely presented component units	848
Gifts (cash or assets) from discretely presented component units	158
Accounts receivable from discretely presented component units	3,436
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,619)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	360
Payments to the Office of the Chancellor for state pro rata charges	45
Accounts receivable from the Office of the Chancellor	7
Accounts payable to the Office of the Chancellor	(344)
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	2,599
Other interagency payments (receipts) for services, space, and programs	(284)

See accompanying independent auditors' report.



NEARLY HALF

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



CALIFORNIA STATE UNIVERSITY, FULLERTON

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 10	46,518	46,528
Short-term investments	224,092	17,794	241,886
Accounts receivable, net	6,715	6,471	13,186
Capital lease receivable, current portion	145	1,836	1,981
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	2,274	2,274
Prepaid expenses and other current assets	14,219	4,309	18,528
Total current assets	<u>245,181</u>	<u>79,202</u>	<u>324,383</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	10,738	10,738
Accounts receivable, net	169	—	169
Capital lease receivable, net of current portion	4,375	21,298	25,673
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,356	—	2,356
Pledges receivable, net	—	3,433	3,433
Endowment investments	—	73,129	73,129
Other long-term investments	49,803	2,277	52,080
Capital assets, net	497,347	72,731	570,078
Other assets	4,955	276	5,231
Total noncurrent assets	<u>559,005</u>	<u>183,882</u>	<u>742,887</u>
Total assets	<u>804,186</u>	<u>263,084</u>	<u>1,067,270</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>187,278</u>	<u>—</u>	<u>187,278</u>
Liabilities			
Current liabilities:			
Accounts payable	23,681	6,226	29,907
Accrued salaries and benefits	35,025	161	35,186
Accrued compensated absences, current portion	6,941	680	7,621
Unearned revenues	10,933	11,088	22,021
Capital lease obligations, current portion	1,070	145	1,215
Long-term debt obligations, current portion	8,155	1,665	9,820
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	102	3,262	3,364
Other liabilities	8,434	4,180	12,614
Total current liabilities	<u>94,341</u>	<u>27,407</u>	<u>121,748</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	9,585	520	10,105
Unearned revenues	—	8,322	8,322
Grants refundable	3,498	—	3,498
Capital lease obligations, net of current portion	16,340	4,375	20,715
Long-term debt obligations, net of current portion	253,587	51,980	305,567
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	4,761	4,761
Total other postemployment benefits liability	947,689	3,423	951,112
Net pension liability	550,311	8,331	558,642
Other liabilities	67	984	1,051
Total noncurrent liabilities	<u>1,781,077</u>	<u>82,696</u>	<u>1,863,773</u>
Total liabilities	<u>1,875,418</u>	<u>110,103</u>	<u>1,985,521</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>161,921</u>	<u>—</u>	<u>161,921</u>
Net Position			
Net position:			
Net investment in capital assets	232,104	37,701	269,805
Restricted for:			
Nonexpendable – endowments	—	61,739	61,739
Expendable:			
Scholarships and fellowships	—	4,033	4,033
Research	—	—	—
Loans	896	—	896
Capital projects	128	—	128
Debt service	722	—	722
Others	273	44,221	44,494
Unrestricted	(1,279,998)	5,287	(1,274,711)
Total net position	<u>\$ (1,045,875)</u>	<u>152,981</u>	<u>(892,894)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$139,028)	\$ 169,552	14,499	—	184,051
Grants and contracts, noncapital:				
Federal	269	17,386	—	17,655
State	—	6,048	—	6,048
Local	—	2,184	—	2,184
Nongovernmental	—	1,602	—	1,602
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,394)	33,583	26,687	—	60,270
Other operating revenues	8,522	19,690	—	28,212
Total operating revenues	<u>211,926</u>	<u>88,096</u>	<u>—</u>	<u>300,022</u>
Expenses:				
Operating expenses:				
Instruction	289,602	5,947	—	295,549
Research	929	4,585	—	5,514
Public service	2,281	7,933	—	10,214
Academic support	53,750	333	—	54,083
Student services	51,572	17,500	—	69,072
Institutional support	78,968	3,180	—	82,148
Operation and maintenance of plant	70,711	6,046	—	76,757
Student grants and scholarships	101,045	7,991	—	109,036
Auxiliary enterprise expenses	24,167	36,444	(301)	60,310
Depreciation and amortization	33,601	2,989	—	36,590
Total operating expenses	<u>706,626</u>	<u>92,948</u>	<u>(301)</u>	<u>799,273</u>
Operating loss	<u>(494,700)</u>	<u>(4,852)</u>	<u>301</u>	<u>(499,251)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	274,834	—	—	274,834
Federal financial aid grants, noncapital	89,062	—	—	89,062
State financial aid grants, noncapital	70,277	—	—	70,277
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	19,636	—	—	19,636
Gifts, noncapital	5,647	16,239	(256)	21,630
Investment income, net	6,983	3,244	—	10,227
Endowment income, net	—	147	—	147
Interest expense	(12,960)	(1,198)	—	(14,158)
Other nonoperating revenues (expenses)	16,251	(1,811)	—	14,440
Net nonoperating income	<u>469,730</u>	<u>16,621</u>	<u>(256)</u>	<u>486,095</u>
Income (loss) before other revenues	<u>(24,970)</u>	<u>11,769</u>	<u>45</u>	<u>(13,156)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	74	—	(45)	29
Additions to permanent endowments	—	3,887	—	3,887
Increase (decrease) in net position	<u>(24,896)</u>	<u>15,656</u>	<u>—</u>	<u>(9,240)</u>
Net position:				
Net position at beginning of year	<u>(1,020,979)</u>	<u>137,325</u>	<u>—</u>	<u>(883,654)</u>
Net position at end of year	<u>\$ (1,045,875)</u>	<u>152,981</u>	<u>—</u>	<u>(892,894)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 168,051
Federal grants and contracts	90
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(106,428)
Payments to employees	(260,710)
Payments for benefits	(131,556)
Payments to students	(100,907)
Collections of student loans	46
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	32,672
Other receipts	6,464
Net cash used in operating activities	<u>(392,278)</u>
Cash flows from noncapital financing activities:	
State appropriations	249,701
Federal financial aid grants	89,221
State financial aid grants	70,084
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	19,663
Gifts and grants received for other than capital purposes	2
Federal loan program receipts	90,639
Federal loan program disbursements	(90,955)
Monies received on behalf of others	13,095
Monies disbursed on behalf of others	(13,097)
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	14,990
Net cash provided by noncapital financing activities	<u>443,343</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	58,430
State appropriations	2,189
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(47,252)
Transfers to escrow agent	(21,711)
Principal paid on capital debt and leases	(19,258)
Interest paid on capital debt and leases	(13,231)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(40,833)</u>

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 928,461
Purchases of investments	(944,285)
Investment income proceeds	5,591
Net cash used in investing activities	<u>(10,233)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	11
Cash and cash equivalents at end of year	<u>\$ 10</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 10
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 10</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (494,700)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,601
Change in assets and liabilities:	
Accounts receivable, net	(1,179)
Student loans receivable, net	(47)
Pledges receivable, net	—
Prepaid expenses and other current assets	(4,323)
Other assets	200
Deferred outflows of resources	(2,122)
Accounts payable	6,490
Accrued salaries and benefits	252
Accrued compensated absences	2,236
Unearned revenues	(614)
Depository accounts	—
Total other postemployment benefits liability	81,646
Net pension liability	18,011
Other liabilities	(892)
Deferred inflows of resources	<u>(30,837)</u>
Net cash used in operating activities	<u>\$ (392,278)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 25,133
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	1,611
Contributed capital assets	74
Change in accrued capital asset purchases	6,047

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,143
Payments from discretely presented component units for other than salaries	4,320
Payments to discretely presented component units for services, space, and programs	28,200
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	5,746
Accounts receivable from discretely presented component units	2,075
Other amounts receivable from discretely presented component units	298
Accounts payable to discretely presented component units	(410)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	468
Payments to the Office of the Chancellor for state pro rata charges	145
Accounts receivable from the Office of the Chancellor	241
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	3,016
Other interagency payments (receipts) for services, space, and programs	228

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY
Statement of Net Position
June 30, 2020
(In thousands)

Schedule 8

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 12	5,250	5,262
Short-term investments	89,779	18,658	108,437
Accounts receivable, net	3,807	12,568	16,375
Capital lease receivable, current portion	—	27	27
Notes receivable, current portion	—	—	—
Pledges receivable, net	2,000	131	2,131
Prepaid expenses and other current assets	1,249	691	1,940
Total current assets	<u>96,847</u>	<u>37,325</u>	<u>134,172</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	0	—	—
Capital lease receivable, net of current portion	—	416	416
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,177	—	2,177
Pledges receivable, net	—	31	31
Endowment investments	995	31,593	32,588
Other long-term investments	522	1,278	1,800
Capital assets, net	193,766	3,527	197,293
Other assets	144	703	847
Total noncurrent assets	<u>197,604</u>	<u>37,548</u>	<u>235,152</u>
Total assets	<u>294,451</u>	<u>74,873</u>	<u>369,324</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>65,771</u>	<u>1,588</u>	<u>67,359</u>
Liabilities			
Current liabilities:			
Accounts payable	5,048	4,651	9,699
Accrued salaries and benefits	8,635	751	9,386
Accrued compensated absences, current portion	3,242	322	3,564
Unearned revenues	1,794	4,061	5,855
Capital lease obligations, current portion	26	27	53
Long-term debt obligations, current portion	1,815	—	1,815
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	427	2	429
Other liabilities	519	2,445	2,964
Total current liabilities	<u>21,506</u>	<u>12,259</u>	<u>33,765</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,362	128	2,490
Unearned revenues	—	599	599
Grants refundable	2,590	—	2,590
Capital lease obligations, net of current portion	414	416	830
Long-term debt obligations, net of current portion	49,219	—	49,219
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	424,907	—	424,907
Net pension liability	180,140	1,884	182,024
Other liabilities	—	—	—
Total noncurrent liabilities	<u>659,632</u>	<u>3,027</u>	<u>662,659</u>
Total liabilities	<u>681,138</u>	<u>15,286</u>	<u>696,424</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>69,858</u>	<u>1,152</u>	<u>71,010</u>
Net Position			
Net position:			
Net investment in capital assets	148,754	3,527	152,281
Restricted for:			
Nonexpendable – endowments	995	27,284	28,279
Expendable:			
Scholarships and fellowships	2,213	—	2,213
Research	—	—	—
Loans	952	—	952
Capital projects	1	—	1
Debt service	4	—	4
Others	379	8,485	8,864
Unrestricted	(544,072)	20,727	(523,345)
Total net position	<u>\$ (390,774)</u>	<u>60,023</u>	<u>(330,751)</u>

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$29,013)	\$ 26,753	1,926	—	28,679
Grants and contracts, noncapital:				
Federal	118	12,401	—	12,519
State	691	14,476	—	15,167
Local	—	938	—	938
Nongovernmental	—	4,329	—	4,329
Sales and services of educational activities	231	55	—	286
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,752)	3,502	9,733	—	13,235
Other operating revenues	15,658	3,481	—	19,139
Total operating revenues	<u>46,953</u>	<u>47,339</u>	<u>—</u>	<u>94,292</u>
Expenses:				
Operating expenses:				
Instruction	64,700	443	—	65,143
Research	389	14,279	—	14,668
Public service	277	17,756	—	18,033
Academic support	22,787	864	—	23,651
Student services	31,243	917	—	32,160
Institutional support	22,936	158	—	23,094
Operation and maintenance of plant	39,955	—	—	39,955
Student grants and scholarships	13,281	481	(481)	13,281
Auxiliary enterprise expenses	300	15,245	—	15,545
Depreciation and amortization	9,804	359	—	10,163
Total operating expenses	<u>205,672</u>	<u>50,502</u>	<u>(481)</u>	<u>255,693</u>
Operating loss	<u>(158,719)</u>	<u>(3,163)</u>	<u>481</u>	<u>(161,401)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	115,034	—	—	115,034
Federal financial aid grants, noncapital	19,039	—	—	19,039
State financial aid grants, noncapital	13,425	—	—	13,425
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	24	—	—	24
Other federal nonoperating grants, noncapital	4,482	—	—	4,482
Gifts, noncapital	1,503	2,146	(634)	3,015
Investment income, net	1,099	365	—	1,464
Endowment income, net	17	722	—	739
Interest expense	(1,952)	(14)	—	(1,966)
Other nonoperating revenues (expenses)	18,917	(742)	807	18,982
Net nonoperating income	<u>171,588</u>	<u>2,477</u>	<u>173</u>	<u>174,238</u>
Income (loss) before other revenues	12,869	(686)	654	12,837
State appropriations, capital	—	—	—	—
Grants and gifts, capital	174	—	(654)	(480)
Additions to permanent endowments	—	1,283	—	1,283
Increase in net position	<u>13,043</u>	<u>597</u>	<u>—</u>	<u>13,640</u>
Net position:				
Net position at beginning of year	(403,817)	59,426	—	(344,391)
Net position at end of year	<u>\$ (390,774)</u>	<u>60,023</u>	<u>—</u>	<u>(330,751)</u>

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 27,165
Federal grants and contracts	127
State grants and contracts	706
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(32,373)
Payments to employees	(83,274)
Payments for benefits	(45,307)
Payments to students	(13,310)
Collections of student loans	268
Sales and services of educational activities	231
Sales and services of auxiliary enterprises	2,729
Other receipts	15,232
Net cash used in operating activities	<u>(127,806)</u>
Cash flows from noncapital financing activities:	
State appropriations	106,140
Federal financial aid grants	19,039
State financial aid grants	13,425
Nongovernmental and other financial aid grants	24
Other federal nonoperating grants	4,482
Gifts and grants received for other than capital purposes	1,503
Federal loan program receipts	29,445
Federal loan program disbursements	(29,543)
Monies received on behalf of others	6,146
Monies disbursed on behalf of others	(6,049)
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	18,495
Net cash provided by noncapital financing activities	<u>163,107</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	174
Proceeds from sale of capital assets	502
Acquisition of capital assets	(19,939)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,897)
Interest paid on capital debt and leases	(2,078)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(23,238)</u>

HUMBOLDT STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 225,429
Purchases of investments	(238,056)
Investment income proceeds	563
Net cash used in investing activities	<u>(12,064)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	13
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	\$ (158,719)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,804
Change in assets and liabilities:	
Accounts receivable, net	241
Student loans receivable, net	(236)
Pledges receivable, net	—
Prepaid expenses and other current assets	(160)
Other assets	3
Deferred outflows of resources	(3,641)
Accounts payable	1,307
Accrued salaries and benefits	(29)
Accrued compensated absences	625
Unearned revenues	(399)
Depository accounts	—
Total other postemployment benefits liability	35,454
Net pension liability	2,588
Other liabilities	(375)
Deferred inflows of resources	(14,269)
Net cash used in operating activities	<u>\$ (127,806)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 11,137
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	357
Contributed capital assets	—
Change in accrued capital asset purchases	716

See accompanying independent auditors' report.

HUMBOLDT STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,443
Payments from discretely presented component units for other than salaries	6,836
Payments to discretely presented component units for services, space, and programs	9,712
Gifts in kind from discretely presented component units	118
Gifts (cash or assets) from discretely presented component units	654
Accounts receivable from discretely presented component units	525
Other amounts receivable from discretely presented component units	2,281
Accounts payable to discretely presented component units	(291)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	91
Payments to the Office of the Chancellor for state pro rata charges	46
Accounts receivable from the Office of the Chancellor	2,120
Accounts payable to the Office of the Chancellor	(6)
Accounts receivable from campuses other than the Office of the Chancellor	2
Accounts payable to campuses other than the Office of the Chancellor	(6)
State lottery allocation received	869
Other interagency payments (receipts) for services, space, and programs	49

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 1,121	9,607	10,728
Short-term investments	192,382	72,472	264,854
Accounts receivable, net	10,119	8,931	19,050
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	3,264	3,264
Prepaid expenses and other current assets	3,542	2,052	5,594
Total current assets	<u>207,164</u>	<u>96,326</u>	<u>303,490</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,326	16,245	17,571
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	4,392	—	4,392
Pledges receivable, net	—	5,772	5,772
Endowment investments	—	85,609	85,609
Other long-term investments	64,368	16,848	81,216
Capital assets, net	524,304	53,117	577,421
Other assets	355	—	355
Total noncurrent assets	<u>594,745</u>	<u>177,591</u>	<u>772,336</u>
Total assets	<u>801,909</u>	<u>273,917</u>	<u>1,075,826</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>209,233</u>	<u>2,925</u>	<u>212,158</u>
Liabilities			
Current liabilities:			
Accounts payable	13,106	4,995	18,101
Accrued salaries and benefits	34,322	3,163	37,485
Accrued compensated absences, current portion	7,593	1,901	9,494
Unearned revenues	20,114	3,504	23,618
Capital lease obligations, current portion	—	—	—
Long-term debt obligations, current portion	4,050	1,225	5,275
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	399	1,382	1,781
Other liabilities	2,294	2,299	4,593
Total current liabilities	<u>81,878</u>	<u>18,469</u>	<u>100,347</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	10,184	—	10,184
Unearned revenues	118	—	118
Grants refundable	4,956	—	4,956
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	156,589	29,996	186,585
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	1,017,190	12,349	1,029,539
Net pension liability	591,625	8,693	600,318
Other liabilities	1,488	7,250	8,738
Total noncurrent liabilities	<u>1,782,150</u>	<u>58,288</u>	<u>1,840,438</u>
Total liabilities	<u>1,864,028</u>	<u>76,757</u>	<u>1,940,785</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>172,287</u>	<u>19,846</u>	<u>192,133</u>
Net Position			
Net position:			
Net investment in capital assets	383,331	23,896	407,227
Restricted for:			
Nonexpendable – endowments	—	75,484	75,484
Expendable:			
Scholarships and fellowships	114	7,125	7,239
Research	—	4,551	4,551
Loans	500	—	500
Capital projects	1,086	687	1,773
Debt service	13	—	13
Others	—	53,416	53,416
Unrestricted	(1,410,217)	15,080	(1,395,137)
Total net position	<u>\$ (1,025,173)</u>	<u>180,239</u>	<u>(844,934)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$140,003)	\$ 146,752	14,288	—	161,040
Grants and contracts, noncapital:				
Federal	—	25,320	—	25,320
State	—	7,590	—	7,590
Local	—	1,812	—	1,812
Nongovernmental	—	3,051	—	3,051
Sales and services of educational activities	2,477	214	—	2,691
Sales and services of auxiliary enterprises (net of scholarship allowances of \$9,030)	19,736	37,147	—	56,883
Other operating revenues	16,267	5,320	(399)	21,188
Total operating revenues	185,232	94,742	(399)	279,575
Expenses:				
Operating expenses:				
Instruction	283,578	8,369	—	291,947
Research	2,962	13,474	—	16,436
Public service	4,989	4,427	—	9,416
Academic support	63,359	6,392	—	69,751
Student services	64,585	18,389	(2)	82,972
Institutional support	54,001	10,561	(2,319)	62,243
Operation and maintenance of plant	84,102	637	(4,312)	80,427
Student grants and scholarships	98,974	9,022	(3,745)	104,251
Auxiliary enterprise expenses	29,097	33,321	(235)	62,183
Depreciation and amortization	33,034	2,790	—	35,824
Total operating expenses	718,681	107,382	(10,613)	815,450
Operating loss	(533,449)	(12,640)	10,214	(535,875)
Nonoperating revenues (expenses):				
State appropriations, noncapital	307,698	—	—	307,698
Federal financial aid grants, noncapital	89,581	—	—	89,581
State financial aid grants, noncapital	72,062	—	—	72,062
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	7,810	—	(7,810)	—
Other federal nonoperating grants, noncapital	21,175	—	—	21,175
Gifts, noncapital	112	15,199	(85)	15,226
Investment income, net	6,861	908	—	7,769
Endowment income, net	—	2,294	—	2,294
Interest expense	(4,686)	(1,041)	—	(5,727)
Other nonoperating revenues	17,269	1,584	—	18,853
Net nonoperating income	517,882	18,944	(7,895)	528,931
Income (loss) before other revenues	(15,567)	6,304	2,319	(6,944)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,334	—	(2,319)	15
Additions to permanent endowments	—	7,993	—	7,993
Increase (decrease) in net position	(13,233)	14,297	—	1,064
Net position:				
Net position at beginning of year	(1,011,940)	165,942	—	(845,998)
Net position at end of year	\$ (1,025,173)	180,239	—	(844,934)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 130,810
Federal grants and contracts	(313)
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(99,477)
Payments to employees	(277,509)
Payments for benefits	(140,591)
Payments to students	(99,098)
Collections of student loans	34
Sales and services of educational activities	2,477
Sales and services of auxiliary enterprises	20,285
Other receipts	15,122
Net cash used in operating activities	<u>(448,260)</u>
Cash flows from noncapital financing activities:	
State appropriations	280,069
Federal financial aid grants	89,511
State financial aid grants	72,062
Nongovernmental and other financial aid grants	7,795
Other federal nonoperating grants	21,175
Gifts and grants received for other than capital purposes	110
Federal loan program receipts	100,511
Federal loan program disbursements	(101,045)
Monies received on behalf of others	10,549
Monies disbursed on behalf of others	(11,484)
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	15,956
Net cash provided by noncapital financing activities	<u>485,209</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	44,116
State appropriations	4,184
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,546
Proceeds from sale of capital assets	110
Acquisition of capital assets	(43,987)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(4,146)
Interest paid on capital debt and leases	(6,244)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(4,421)</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 890,969
Purchases of investments	(927,877)
Investment income proceeds	5,481
Net cash used in investing activities	(31,427)
Net increase in cash and cash equivalents	1,101
Cash and cash equivalents at beginning of year	20
Cash and cash equivalents at end of year	<u>\$ 1,121</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 1,121
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 1,121</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (533,449)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,034
Change in assets and liabilities:	
Accounts receivable, net	(652)
Student loans receivable, net	(97)
Pledges receivable, net	—
Prepaid expenses and other current assets	506
Other assets	147
Deferred outflows of resources	(3,825)
Accounts payable	(2,593)
Accrued salaries and benefits	(434)
Accrued compensated absences	2,279
Unearned revenues	(14,774)
Depository accounts	—
Total other postemployment benefits liability	79,483
Net pension liability	26,284
Other liabilities	407
Deferred inflows of resources	(34,576)
Net cash used in operating activities	<u>\$ (448,260)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 27,337
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	19
Amortization of net bond premium	933
Contributed capital assets	787
Change in accrued capital asset purchases	3,879

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,140
Payments from discretely presented component units for other than salaries	19,657
Payments to discretely presented component units for services, space, and programs	9,435
Gifts in kind from discretely presented component units	924
Gifts (cash or assets) from discretely presented component units	9,590
Accounts receivable from discretely presented component units	3,665
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(531)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	833
Payments to the Office of the Chancellor for state pro rata charges	149
Accounts receivable from the Office of the Chancellor	2,095
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	3,090
Other interagency payments (receipts) for services, space, and programs	(1,174)

See accompanying independent auditors' report.



127,000
degrees
conferred annually



CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 415	7,881	8,296
Short-term investments	143,339	15,980	159,319
Accounts receivable, net	20,959	8,704	29,663
Capital lease receivable, current portion	985	—	985
Notes receivable, current portion	—	21	21
Pledges receivable, net	—	1,553	1,553
Prepaid expenses and other current assets	819	63	882
Total current assets	<u>166,517</u>	<u>34,202</u>	<u>200,719</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	5,233	5,233
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	15,825	—	15,825
Notes receivable, net of current portion	—	64	64
Student loans receivable, net	758	—	758
Pledges receivable, net	—	5,662	5,662
Endowment investments	—	48,036	48,036
Other long-term investments	182,964	—	182,964
Capital assets, net	483,975	31,698	515,673
Other assets	306	—	306
Total noncurrent assets	<u>683,828</u>	<u>90,693</u>	<u>774,521</u>
Total assets	<u>850,345</u>	<u>124,895</u>	<u>975,240</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>142,260</u>	<u>354</u>	<u>142,614</u>
Liabilities			
Current liabilities:			
Accounts payable	21,558	4,868	26,426
Accrued salaries and benefits	21,638	1,155	22,793
Accrued compensated absences, current portion	6,244	581	6,825
Unearned revenues	21,754	5,964	27,718
Capital lease obligations, current portion	—	985	985
Long-term debt obligations, current portion	3,745	211	3,956
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	31	—	31
Other liabilities	3,753	1,288	5,041
Total current liabilities	<u>78,723</u>	<u>15,052</u>	<u>93,775</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,247	14	6,261
Unearned revenues	—	—	—
Grants refundable	385	—	385
Capital lease obligations, net of current portion	—	17,477	17,477
Long-term debt obligations, net of current portion	328,470	5,775	334,245
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	33	—	33
Total other postemployment benefits liability	673,816	598	674,414
Net pension liability	391,346	1,700	393,046
Other liabilities	205	—	205
Total noncurrent liabilities	<u>1,400,502</u>	<u>25,564</u>	<u>1,426,066</u>
Total liabilities	<u>1,479,225</u>	<u>40,616</u>	<u>1,519,841</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>114,126</u>	<u>1,413</u>	<u>115,539</u>
Net Position			
Net position:			
Net investment in capital assets	259,837	5,837	265,674
Restricted for:			
Nonexpendable – endowments	—	39,946	39,946
Expendable:			
Scholarships and fellowships	1,276	21,115	22,391
Research	—	—	—
Loans	888	—	888
Capital projects	716	—	716
Debt service	8,759	—	8,759
Others	2,122	—	2,122
Unrestricted	(874,344)	16,322	(858,022)
Total net position	<u>\$ (600,746)</u>	<u>83,220</u>	<u>(517,526)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$124,280)	\$ 65,898	6,347	—	72,245
Grants and contracts, noncapital:				
Federal	—	23,280	—	23,280
State	—	935	—	935
Local	—	1,352	—	1,352
Nongovernmental	—	1,886	—	1,886
Sales and services of educational activities	49	4,566	—	4,615
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,723)	13,922	3,464	—	17,386
Other operating revenues	10,481	362	—	10,843
Total operating revenues	<u>90,350</u>	<u>42,192</u>	<u>—</u>	<u>132,542</u>
Expenses:				
Operating expenses:				
Instruction	192,829	11,436	—	204,265
Research	2,312	—	—	2,312
Public service	2,572	1,273	—	3,845
Academic support	53,401	8,295	—	61,696
Student services	32,368	6,013	—	38,381
Institutional support	70,955	2,767	—	73,722
Operation and maintenance of plant	27,541	1,746	—	29,287
Student grants and scholarships	98,053	6,254	—	104,307
Auxiliary enterprise expenses	11,890	4,592	—	16,482
Depreciation and amortization	18,284	1,587	—	19,871
Total operating expenses	<u>510,205</u>	<u>43,963</u>	<u>—</u>	<u>554,168</u>
Operating loss	<u>(419,855)</u>	<u>(1,771)</u>	<u>—</u>	<u>(421,626)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	224,567	—	—	224,567
Federal financial aid grants, noncapital	83,111	—	—	83,111
State financial aid grants, noncapital	62,794	—	—	62,794
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	55	—	—	55
Other federal nonoperating grants, noncapital	17,116	—	—	17,116
Gifts, noncapital	4	2,404	—	2,408
Investment income, net	8,394	476	—	8,870
Endowment income, net	—	1,251	—	1,251
Interest expense	(13,048)	(764)	—	(13,812)
Other nonoperating revenues (expenses)	56,086	(958)	347	55,475
Net nonoperating income	<u>439,079</u>	<u>2,409</u>	<u>347</u>	<u>441,835</u>
Income before other revenues	19,224	638	347	20,209
State appropriations, capital	153	—	—	153
Grants and gifts, capital	347	—	(347)	—
Additions to permanent endowments	—	3,358	—	3,358
Increase in net position	<u>19,724</u>	<u>3,996</u>	<u>—</u>	<u>23,720</u>
Net position:				
Net position at beginning of year	<u>(620,470)</u>	<u>79,224</u>	<u>—</u>	<u>(541,246)</u>
Net position at end of year	<u>\$ (600,746)</u>	<u>83,220</u>	<u>—</u>	<u>(517,526)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 63,838
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(69,628)
Payments to employees	(185,369)
Payments for benefits	(89,389)
Payments to students	(98,180)
Collections of student loans	66
Sales and services of educational activities	49
Sales and services of auxiliary enterprises	13,823
Other receipts	11,207
Net cash used in operating activities	<u>(353,583)</u>
Cash flows from noncapital financing activities:	
State appropriations	206,051
Federal financial aid grants	83,087
State financial aid grants	62,794
Nongovernmental and other financial aid grants	55
Other federal nonoperating grants	17,116
Gifts and grants received for other than capital purposes	4
Federal loan program receipts	59,328
Federal loan program disbursements	(59,410)
Monies received on behalf of others	8,181
Monies disbursed on behalf of others	(8,224)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(950)
Interest paid on long-term debt	(773)
Issuance of notes receivable	—
Principal collections on capital leases	950
Interest collections on capital leases	83
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	49,919
Net cash provided by noncapital financing activities	<u>418,211</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	585
State appropriations	153
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	347
Proceeds from sale of capital assets	24
Acquisition of capital assets	(149,526)
Transfers to escrow agent	(630)
Principal paid on capital debt and leases	(1,600)
Interest paid on capital debt and leases	(13,111)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(163,758)</u>

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 776,557
Purchases of investments	(684,289)
Investment income proceeds	7,267
Net cash provided by investing activities	<u>99,535</u>
Net increase in cash and cash equivalents	405
Cash and cash equivalents at beginning of year	<u>10</u>
Cash and cash equivalents at end of year	<u>\$ 415</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 415
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 415</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (419,855)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	18,284
Change in assets and liabilities:	
Accounts receivable, net	2,631
Student loans receivable, net	(67)
Pledges receivable, net	—
Prepaid expenses and other current assets	(75)
Other assets	1
Deferred outflows of resources	2,262
Accounts payable	(11,709)
Accrued salaries and benefits	(1,470)
Accrued compensated absences	1,617
Unearned revenues	(1,442)
Depository accounts	—
Total other postemployment benefits liability	57,554
Net pension liability	20,294
Other liabilities	333
Deferred inflows of resources	(21,941)
Net cash used in operating activities	<u>\$ (353,583)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 18,515
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	937
Contributed capital assets	—
Change in accrued capital asset purchases	7,950

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 308
Payments from discretely presented component units for other than salaries	12,984
Payments to discretely presented component units for services, space, and programs	4,847
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	922
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(48)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	484
Payments to the Office of the Chancellor for state pro rata charges	81
Accounts receivable from the Office of the Chancellor	12,043
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	2,074
Other interagency payments (receipts) for services, space, and programs	(723)

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 143	2,418	2,561
Short-term investments	21,652	1,371	23,023
Accounts receivable, net	1,104	152	1,256
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	92	92
Prepaid expenses and other current assets	488	—	488
Total current assets	<u>23,387</u>	<u>4,033</u>	<u>27,420</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	837	837
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	669	—	669
Pledges receivable, net	—	65	65
Endowment investments	—	9,889	9,889
Other long-term investments	327	—	327
Capital assets, net	114,273	2,825	117,098
Other assets	12	—	12
Total noncurrent assets	<u>115,281</u>	<u>13,616</u>	<u>128,897</u>
Total assets	<u>138,668</u>	<u>17,649</u>	<u>156,317</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>23,826</u>	<u>—</u>	<u>23,826</u>
Liabilities			
Current liabilities:			
Accounts payable	2,624	4	2,628
Accrued salaries and benefits	1,899	—	1,899
Accrued compensated absences, current portion	697	—	697
Unearned revenues	287	—	287
Capital lease obligations, current portion	84	—	84
Long-term debt obligations, current portion	755	2	757
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	241	—	241
Other liabilities	625	258	883
Total current liabilities	<u>7,212</u>	<u>264</u>	<u>7,476</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	1,785	—	1,785
Unearned revenues	—	—	—
Grants refundable	931	—	931
Capital lease obligations, net of current portion	337	—	337
Long-term debt obligations, net of current portion	34,305	16	34,321
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	96,978	—	96,978
Net pension liability	61,697	—	61,697
Other liabilities	—	—	—
Total noncurrent liabilities	<u>196,033</u>	<u>16</u>	<u>196,049</u>
Total liabilities	<u>203,245</u>	<u>280</u>	<u>203,525</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>16,553</u>	<u>—</u>	<u>16,553</u>
Net Position			
Net position:			
Net investment in capital assets	80,531	2,825	83,356
Restricted for:			
Nonexpendable – endowments	—	8,637	8,637
Expendable:			
Scholarships and fellowships	1	—	1
Research	—	—	—
Loans	31	—	31
Capital projects	1	—	1
Debt service	2	—	2
Others	4,788	3,882	8,670
Unrestricted	(142,658)	2,025	(140,633)
Total net position	<u>\$ (57,304)</u>	<u>17,369</u>	<u>(39,935)</u>

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$2,471)	\$ 6,330	186	—	6,516
Grants and contracts, noncapital:				
Federal	192	—	—	192
State	509	—	—	509
Local	—	—	—	—
Nongovernmental	3,365	—	—	3,365
Sales and services of educational activities	18	—	—	18
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,152)	10,079	—	—	10,079
Other operating revenues	485	7,361	—	7,846
Total operating revenues	20,978	7,547	—	28,525
Expenses:				
Operating expenses:				
Instruction	20,023	—	—	20,023
Research	2,422	—	—	2,422
Public service	30	—	—	30
Academic support	5,068	—	—	5,068
Student services	8,608	159	—	8,767
Institutional support	15,149	—	—	15,149
Operation and maintenance of plant	15,639	—	—	15,639
Student grants and scholarships	1,229	439	—	1,668
Auxiliary enterprise expenses	15,857	2,324	—	18,181
Depreciation and amortization	6,059	1,051	—	7,110
Total operating expenses	90,084	3,973	—	94,057
Operating income (loss)	(69,106)	3,574	—	(65,532)
Nonoperating revenues (expenses):				
State appropriations, noncapital	43,353	—	—	43,353
Federal financial aid grants, noncapital	1,342	—	—	1,342
State financial aid grants, noncapital	1,199	—	—	1,199
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	439	—	—	439
Other federal nonoperating grants, noncapital	978	—	—	978
Gifts, noncapital	—	—	—	—
Investment income (loss), net	535	(619)	—	(84)
Endowment income, net	—	241	—	241
Interest expense	(1,354)	—	—	(1,354)
Other nonoperating revenues (expenses)	6,000	(7)	—	5,993
Net nonoperating income (loss)	52,492	(385)	—	52,107
Income (loss) before other revenues	(16,614)	3,189	—	(13,425)
State appropriations, capital	(102)	—	—	(102)
Grants and gifts, capital	—	—	—	—
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	(16,716)	3,189	—	(13,527)
Net position:				
Net position at beginning of year	(40,588)	14,180	—	(26,408)
Net position at end of year	\$ (57,304)	17,369	—	(39,935)

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 6,416
Federal grants and contracts	193
State grants and contracts	561
Local grants and contracts	—
Nongovernmental grants and contracts	2,900
Payments to suppliers	(24,791)
Payments to employees	(28,315)
Payments for benefits	(15,168)
Payments to students	(879)
Collections of student loans	—
Sales and services of educational activities	18
Sales and services of auxiliary enterprises	8,982
Other receipts	950
Net cash used in operating activities	<u>(49,133)</u>
Cash flows from noncapital financing activities:	
State appropriations	40,854
Federal financial aid grants	1,342
State financial aid grants	1,199
Nongovernmental and other financial aid grants	439
Other federal nonoperating grants	978
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	5,623
Federal loan program disbursements	(5,788)
Monies received on behalf of others	832
Monies disbursed on behalf of others	(701)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(725)
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	4,551
Net cash provided by noncapital financing activities	<u>48,604</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	14
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(2,796)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(212)
Interest paid on capital debt and leases	(1,728)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(4,722)</u>

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 84,500
Purchases of investments	(79,644)
Investment income proceeds	458
Net cash provided by investing activities	<u>5,314</u>
Net increase in cash and cash equivalents	63
Cash and cash equivalents at beginning of year	80
Cash and cash equivalents at end of year	<u>\$ 143</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 143
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 143</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (69,106)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	6,059
Change in assets and liabilities:	
Accounts receivable, net	98
Student loans receivable, net	(17)
Pledges receivable, net	—
Prepaid expenses and other current assets	226
Other assets	—
Deferred outflows of resources	(2,014)
Accounts payable	407
Accrued salaries and benefits	177
Accrued compensated absences	193
Unearned revenues	(1,060)
Depository accounts	—
Total other postemployment benefits liability	12,455
Net pension liability	5,244
Other liabilities	421
Deferred inflows of resources	<u>(2,216)</u>
Net cash used in operating activities	<u>\$ (49,133)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 2,498
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	193
Contributed capital assets	—
Change in accrued capital asset purchases	—

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2020

(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	161
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	365
Gifts (cash or assets) from discretely presented component units	764
Accounts receivable from discretely presented component units	1
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	93
Payments to the Office of the Chancellor for state pro rata charges	10
Accounts receivable from the Office of the Chancellor	20
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	272
Other interagency payments (receipts) for services, space, and programs	(158)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Schedule 8

Statement of Net Position
June 30, 2020
(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6	8,712	8,718
Short-term investments	60,677	261	60,938
Accounts receivable, net	4,789	10,088	14,877
Capital lease receivable, current portion	2,460	—	2,460
Notes receivable, current portion	—	959	959
Pledges receivable, net	—	720	720
Prepaid expenses and other current assets	1,473	1,718	3,191
Total current assets	<u>69,405</u>	<u>22,458</u>	<u>91,863</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	903	903
Accounts receivable, net	210	39	249
Capital lease receivable, net of current portion	42,525	—	42,525
Notes receivable, net of current portion	1,165	2,348	3,513
Student loans receivable, net	76	—	76
Pledges receivable, net	—	200	200
Endowment investments	—	26,793	26,793
Other long-term investments	12,261	45,971	58,232
Capital assets, net	319,206	129,595	448,801
Other assets	195	40	235
Total noncurrent assets	<u>375,638</u>	<u>205,889</u>	<u>581,527</u>
Total assets	<u>445,043</u>	<u>228,347</u>	<u>673,390</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>55,723</u>	<u>1,238</u>	<u>56,961</u>
Liabilities			
Current liabilities:			
Accounts payable	8,057	5,204	13,261
Accrued salaries and benefits	7,154	660	7,814
Accrued compensated absences, current portion	2,739	568	3,307
Unearned revenues	2,507	2,261	4,768
Capital lease obligations, current portion	355	2,460	2,815
Long-term debt obligations, current portion	4,154	1,040	5,194
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	7	—	7
Other liabilities	1,959	59	2,018
Total current liabilities	<u>26,932</u>	<u>12,252</u>	<u>39,184</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	2,970	—	2,970
Unearned revenues	—	—	—
Grants refundable	1	—	1
Capital lease obligations, net of current portion	363	46,754	47,117
Long-term debt obligations, net of current portion	94,451	66,258	160,709
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	330	330
Total other postemployment benefits liability	240,469	—	240,469
Net pension liability	163,585	—	163,585
Other liabilities	2	—	2
Total noncurrent liabilities	<u>501,841</u>	<u>113,342</u>	<u>615,183</u>
Total liabilities	<u>528,773</u>	<u>125,594</u>	<u>654,367</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>41,419</u>	<u>—</u>	<u>41,419</u>
Net Position			
Net position:			
Net investment in capital assets	269,704	15,486	285,190
Restricted for:			
Nonexpendable – endowments	—	15,143	15,143
Expendable:			
Scholarships and fellowships	700	8,510	9,210
Research	—	26	26
Loans	103	—	103
Capital projects	165	—	165
Debt service	4	—	4
Others	4	12,203	12,207
Unrestricted	(340,106)	52,623	(287,483)
Total net position	<u>\$ (69,426)</u>	<u>103,991</u>	<u>34,565</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$25,750)	\$ 40,092	1,293	—	41,385
Grants and contracts, noncapital:				
Federal	—	13,225	—	13,225
State	—	1,363	—	1,363
Local	—	579	—	579
Nongovernmental	—	1,667	—	1,667
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	1,605	37,764	—	39,369
Other operating revenues	8,318	1,035	—	9,353
Total operating revenues	50,015	56,926	—	106,941
Expenses:				
Operating expenses:				
Instruction	64,982	45	—	65,027
Research	778	4,900	—	5,678
Public service	169	4,336	—	4,505
Academic support	23,400	3,283	—	26,683
Student services	29,993	5,383	—	35,376
Institutional support	25,266	9,454	(126)	34,594
Operation and maintenance of plant	24,597	—	—	24,597
Student grants and scholarships	20,298	3,259	(102)	23,455
Auxiliary enterprise expenses	5,463	19,216	(692)	23,987
Depreciation and amortization	16,858	9,582	—	26,440
Total operating expenses	211,804	59,458	(920)	270,342
Operating loss	(161,789)	(2,532)	920	(163,401)
Nonoperating revenues (expenses):				
State appropriations, noncapital	104,169	—	—	104,169
Federal financial aid grants, noncapital	16,164	—	—	16,164
State financial aid grants, noncapital	13,152	—	—	13,152
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	4,230	—	—	4,230
Gifts, noncapital	2,104	4,253	(1,236)	5,121
Investment income, net	3,816	1,479	—	5,295
Endowment income, net	—	1,032	—	1,032
Interest expense	(2,150)	(4,334)	—	(6,484)
Other nonoperating revenues	6,664	1,380	—	8,044
Net nonoperating income	148,149	3,810	(1,236)	150,723
Income (loss) before other revenues	(13,640)	1,278	(316)	(12,678)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	4,229	(276)	316	4,269
Additions to permanent endowments	—	569	—	569
Increase (Decrease) in net position	(9,411)	1,571	—	(7,840)
Net position:				
Net position at beginning of year	(60,015)	102,420	—	42,405
Net position at end of year	\$ (69,426)	103,991	—	34,565

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 43,372
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(35,349)
Payments to employees	(74,514)
Payments for benefits	(37,729)
Payments to students	(20,303)
Collections of student loans	3
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	1,605
Other receipts	10,105
Net cash used in operating activities	<u>(112,810)</u>
Cash flows from noncapital financing activities:	
State appropriations	97,771
Federal financial aid grants	16,164
State financial aid grants	13,152
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	4,230
Gifts and grants received for other than capital purposes	2,104
Federal loan program receipts	25,989
Federal loan program disbursements	(25,973)
Monies received on behalf of others	111
Monies disbursed on behalf of others	(107)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(2,345)
Interest paid on long-term debt	(2,140)
Issuance of notes receivable	(1,165)
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	6,345
Net cash provided by noncapital financing activities	<u>134,136</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	21
Acquisition of capital assets	(51,001)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(669)
Interest paid on capital debt and leases	(2,230)
Principal collection on capital leases	2,345
Interest collection on capital leases	2,123
Net cash used in capital and related financing activities	<u>(49,411)</u>

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 276,279
Purchases of investments	(249,757)
Investment income proceeds	1,563
Net cash provided by investing activities	<u>28,085</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	\$ (161,789)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,858
Change in assets and liabilities:	
Accounts receivable, net	4,468
Student loans receivable, net	—
Pledges receivable, net	—
Prepaid expenses and other current assets	717
Other assets	(95)
Deferred outflows of resources	93
Accounts payable	1,583
Accrued salaries and benefits	244
Accrued compensated absences	899
Unearned revenues	84
Depository accounts	—
Total other postemployment benefits liability	21,244
Net pension liability	9,832
Other liabilities	584
Deferred inflows of resources	<u>(7,532)</u>
Net cash used in operating activities	<u>\$ (112,810)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 6,398
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	235
Contributed capital assets	4,229
Change in accrued capital asset purchases	9,352

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,339
Payments from discretely presented component units for other than salaries	6,199
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	818
Gifts (cash or assets) from discretely presented component units	4,515
Accounts receivable from discretely presented component units	1,141
Other amounts receivable from discretely presented component units	1,165
Accounts payable to discretely presented component units	(89)
Other amounts payable to discretely presented component units	(3,307)
Payments to the Office of the Chancellor for administrative activities	112
Payments to the Office of the Chancellor for state pro rata charges	43
Accounts receivable from the Office of the Chancellor	1,639
Accounts payable to the Office of the Chancellor	(5)
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	707
Other interagency payments (receipts) for services, space, and programs	(32)

See accompanying independent auditors' report.



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CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 627	21,655	22,282
Short-term investments	319,148	73,828	392,976
Accounts receivable, net	7,588	8,041	15,629
Capital lease receivable, current portion	440	—	440
Notes receivable, current portion	—	4	4
Pledges receivable, net	—	17,035	17,035
Prepaid expenses and other current assets	4,257	709	4,966
Total current assets	<u>332,060</u>	<u>121,272</u>	<u>453,332</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	2,398	2,398
Accounts receivable, net	1,700	5,597	7,297
Capital lease receivable, net of current portion	5,250	—	5,250
Notes receivable, net of current portion	—	37	37
Student loans receivable, net	1,426	—	1,426
Pledges receivable, net	—	—	—
Endowment investments	—	113,756	113,756
Other long-term investments	10,105	20,797	30,902
Capital assets, net	493,817	31,453	525,270
Other assets	443	503	946
Total noncurrent assets	<u>512,741</u>	<u>174,541</u>	<u>687,282</u>
Total assets	<u>844,801</u>	<u>295,813</u>	<u>1,140,614</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>194,926</u>	<u>—</u>	<u>194,926</u>
Liabilities			
Current liabilities:			
Accounts payable	7,271	2,481	9,752
Accrued salaries and benefits	26,758	3,199	29,957
Accrued compensated absences, current portion	8,150	948	9,098
Unearned revenues	24,126	2,598	26,724
Capital lease obligations, current portion	—	440	440
Long-term debt obligations, current portion	7,175	225	7,400
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	860	3,627	4,487
Other liabilities	6,476	105	6,581
Total current liabilities	<u>80,816</u>	<u>13,623</u>	<u>94,439</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	10,507	261	10,768
Unearned revenues	—	—	—
Grants refundable	1,496	—	1,496
Capital lease obligations, net of current portion	—	5,839	5,839
Long-term debt obligations, net of current portion	148,529	4,262	152,791
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	978,219	7,279	985,498
Net pension liability	567,845	—	567,845
Other liabilities	—	—	—
Total noncurrent liabilities	<u>1,706,596</u>	<u>17,641</u>	<u>1,724,237</u>
Total liabilities	<u>1,787,412</u>	<u>31,264</u>	<u>1,818,676</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>166,137</u>	<u>—</u>	<u>166,137</u>
Net Position			
Net position:			
Net investment in capital assets	347,591	17,343	364,934
Restricted for:			
Nonexpendable – endowments	—	99,906	99,906
Expendable:			
Scholarships and fellowships	810	21,036	21,846
Research	—	—	—
Loans	1,162	528	1,690
Capital projects	2,255	1,183	3,438
Debt service	10	—	10
Others	—	50,713	50,713
Unrestricted	(1,265,650)	73,840	(1,191,810)
Total net position	<u>\$ (913,822)</u>	<u>264,549</u>	<u>(649,273)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$159,664)	\$ 144,261	23,889	—	168,150
Grants and contracts, noncapital:				
Federal	—	28,613	—	28,613
State	—	2,692	—	2,692
Local	—	1,218	—	1,218
Nongovernmental	—	2,369	—	2,369
Sales and services of educational activities	1,015	—	—	1,015
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,448)	25,274	17,534	—	42,808
Other operating revenues	18,764	4,388	—	23,152
Total operating revenues	189,314	80,703	—	270,017
Expenses:				
Operating expenses:				
Instruction	247,440	—	—	247,440
Research	3,663	29,827	—	33,490
Public service	1,188	1,772	—	2,960
Academic support	75,563	4,578	—	80,141
Student services	105,914	22,169	—	128,083
Institutional support	52,476	3,556	(1,063)	54,969
Operation and maintenance of plant	61,587	2,068	—	63,655
Student grants and scholarships	109,738	2,774	—	112,512
Auxiliary enterprise expenses	22,093	22,184	—	44,277
Depreciation and amortization	33,137	2,378	—	35,515
Total operating expenses	712,799	91,306	(1,063)	803,042
Operating loss	(523,485)	(10,603)	1,063	(533,025)
Nonoperating revenues (expenses):				
State appropriations, noncapital	294,036	—	—	294,036
Federal financial aid grants, noncapital	105,084	—	—	105,084
State financial aid grants, noncapital	81,811	—	—	81,811
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,017	—	—	3,017
Other federal nonoperating grants, noncapital	15,501	—	—	15,501
Gifts, noncapital	830	7,194	(830)	7,194
Investment income, net	7,721	2,428	—	10,149
Endowment income, net	—	3,361	—	3,361
Interest expense	(5,664)	—	—	(5,664)
Other nonoperating revenues	11,420	1,995	—	13,415
Net nonoperating income	513,756	14,978	(830)	527,904
Income (loss) before other revenues	(9,729)	4,375	233	(5,121)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	233	—	(233)	—
Additions to permanent endowments	—	6,571	—	6,571
Increase (decrease) in net position	(9,496)	10,946	—	1,450
Net position:				
Net position at beginning of year	(904,326)	253,603	—	(650,723)
Net position at end of year	\$ (913,822)	264,549	—	(649,273)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	Campus
Cash flows from operating activities:	
Student tuition and fees	\$ 139,404
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(107,936)
Payments to employees	(268,814)
Payments for benefits	(134,014)
Payments to students	(109,722)
Collections of student loans	—
Sales and services of educational activities	1,015
Sales and services of auxiliary enterprises	25,246
Other receipts	19,617
Net cash used in operating activities	<u>(435,204)</u>
Cash flows from noncapital financing activities:	
State appropriations	268,114
Federal financial aid grants	105,084
State financial aid grants	81,811
Nongovernmental and other financial aid grants	3,017
Other federal nonoperating grants	15,501
Gifts and grants received for other than capital purposes	830
Federal loan program receipts	102,748
Federal loan program disbursements	(103,021)
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	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on capital leases	415
Interest collections on capital leases	278
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	14,513
Net cash provided by noncapital financing activities	<u>489,290</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	7,297
State appropriations	830
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	233
Proceeds from sale of capital assets	—
Acquisition of capital assets	(28,961)
Transfers to escrow agent	(7,276)
Principal paid on capital debt and leases	(6,588)
Interest paid on capital debt and leases	(7,768)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(42,233)</u>

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 838,864
Purchases of investments	(856,180)
Investment income proceeds	6,077
Net cash used in investing activities	(11,239)
Net increase in cash and cash equivalents	614
Cash and cash equivalents at beginning of year	13
Cash and cash equivalents at end of year	<u>\$ 627</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 627
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 627</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (523,485)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	33,137
Change in assets and liabilities:	
Accounts receivable, net	296
Student loans receivable, net	(27)
Pledges receivable, net	—
Prepaid expenses and other current assets	(279)
Other assets	9
Deferred outflows of resources	(6,468)
Accounts payable	(6,831)
Accrued salaries and benefits	(2,251)
Accrued compensated absences	2,534
Unearned revenues	(4,573)
Depository accounts	—
Total other postemployment benefits liability	79,218
Net pension liability	25,909
Other liabilities	309
Deferred inflows of resources	(32,702)
Net cash used in operating activities	<u>\$ (435,204)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 25,922
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	1,242
Contributed capital assets	—
Change in accrued capital asset purchases	2,221

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,169
Payments from discretely presented component units for other than salaries	8,843
Payments to discretely presented component units for services, space, and programs	18,816
Gifts in kind from discretely presented component units	37
Gifts (cash or assets) from discretely presented component units	1,026
Accounts receivable from discretely presented component units	761
Other amounts receivable from discretely presented component units	45
Accounts payable to discretely presented component units	(204)
Other amounts payable to discretely presented component units	(3,516)
Payments to the Office of the Chancellor for administrative activities	348
Payments to the Office of the Chancellor for state pro rata charges	162
Accounts receivable from the Office of the Chancellor	547
Accounts payable to the Office of the Chancellor	(9)
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	2,945
Other interagency payments (receipts) for services, space, and programs	(223)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 11	9,409	9,420
Short-term investments	208,786	84,252	293,038
Accounts receivable, net	7,232	10,593	17,825
Capital lease receivable, current portion	1,380	—	1,380
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,163	1,163
Prepaid expenses and other current assets	4,015	2,696	6,711
Total current assets	<u>221,424</u>	<u>108,113</u>	<u>329,537</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	2,448	2,448
Accounts receivable, net	2,913	296	3,209
Capital lease receivable, net of current portion	38,895	—	38,895
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	3,621	—	3,621
Pledges receivable, net	—	2,603	2,603
Endowment investments	—	103,116	103,116
Other long-term investments	93,106	1,763	94,869
Capital assets, net	662,149	72,340	734,489
Other assets	247	—	247
Total noncurrent assets	<u>800,931</u>	<u>182,566</u>	<u>983,497</u>
Total assets	<u>1,022,355</u>	<u>290,679</u>	<u>1,313,034</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>150,678</u>	<u>6,700</u>	<u>157,378</u>
Liabilities			
Current liabilities:			
Accounts payable	6,492	5,444	11,936
Accrued salaries and benefits	31,583	1,573	33,156
Accrued compensated absences, current portion	5,409	659	6,068
Unearned revenues	7,606	1,519	9,125
Capital lease obligations, current portion	1,467	1,380	2,847
Long-term debt obligations, current portion	9,900	—	9,900
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	1,322	100	1,422
Other liabilities	8,191	4,988	13,179
Total current liabilities	<u>71,970</u>	<u>15,663</u>	<u>87,633</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	5,674	598	6,272
Unearned revenues	—	—	—
Grants refundable	3,983	—	3,983
Capital lease obligations, net of current portion	7,736	41,153	48,889
Long-term debt obligations, net of current portion	369,651	—	369,651
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	694,289	12,869	707,158
Net pension liability	388,692	11,106	399,798
Other liabilities	—	707	707
Total noncurrent liabilities	<u>1,470,025</u>	<u>66,433</u>	<u>1,536,458</u>
Total liabilities	<u>1,541,995</u>	<u>82,096</u>	<u>1,624,091</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>117,102</u>	<u>2,763</u>	<u>119,865</u>
Net Position			
Net position:			
Net investment in capital assets	305,207	30,080	335,287
Restricted for:			
Nonexpendable – endowments	—	91,494	91,494
Expendable:			
Scholarships and fellowships	2	6,001	6,003
Research	—	—	—
Loans	988	—	988
Capital projects	4,256	—	4,256
Debt service	17	—	17
Others	—	42,640	42,640
Unrestricted	(796,534)	42,305	(754,229)
Total net position	<u>\$ (486,064)</u>	<u>212,520</u>	<u>(273,544)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$105,749)	\$ 102,319	20,782	—	123,101
Grants and contracts, noncapital:				
Federal	—	9,920	—	9,920
State	—	1,750	—	1,750
Local	—	—	—	—
Nongovernmental	—	1,037	—	1,037
Sales and services of educational activities	—	6,805	—	6,805
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,957)	24,140	36,716	—	60,856
Other operating revenues	7,286	6,843	—	14,129
Total operating revenues	133,745	83,853	—	217,598
Expenses:				
Operating expenses:				
Instruction	206,218	9,513	—	215,731
Research	1,595	6,982	—	8,577
Public service	66	444	—	510
Academic support	55,047	6,787	—	61,834
Student services	48,681	14,772	—	63,453
Institutional support	53,262	1,851	—	55,113
Operation and maintenance of plant	44,888	305	—	45,193
Student grants and scholarships	58,799	1,678	(3,124)	57,353
Auxiliary enterprise expenses	18,583	45,314	—	63,897
Depreciation and amortization	31,821	3,623	—	35,444
Total operating expenses	518,960	91,269	(3,124)	607,105
Operating loss	(385,215)	(7,416)	3,124	(389,507)
Nonoperating revenues (expenses):				
State appropriations, noncapital	208,351	—	—	208,351
Federal financial aid grants, noncapital	69,106	—	—	69,106
State financial aid grants, noncapital	52,951	—	—	52,951
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,257	—	(3,124)	133
Other federal nonoperating grants, noncapital	14,271	—	—	14,271
Gifts, noncapital	1,747	5,904	(700)	6,951
Investment income, net	7,047	2,235	—	9,282
Endowment income, net	—	3,536	—	3,536
Interest expense	(11,113)	(1,573)	—	(12,686)
Other nonoperating revenues	3,965	2,844	4,898	11,707
Net nonoperating income	349,582	12,946	1,074	363,602
Income (loss) before other revenues	(35,633)	5,530	4,198	(25,905)
State appropriations, capital	(563)	—	—	(563)
Grants and gifts, capital	4,226	—	(4,198)	28
Additions to permanent endowments	—	5,086	—	5,086
Increase (decrease) in net position	(31,970)	10,616	—	(21,354)
Net position:				
Net position at beginning of year	(454,094)	201,904	—	(252,190)
Net position at end of year	(486,064)	212,520	—	(273,544)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 101,538
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(59,467)
Payments to employees	(189,671)
Payments for benefits	(95,750)
Payments to students	(57,844)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	23,311
Other receipts	6,177
Net cash used in operating activities	<u>(271,706)</u>
Cash flows from noncapital financing activities:	
State appropriations	189,263
Federal financial aid grants	69,121
State financial aid grants	52,602
Nongovernmental and other financial aid grants	3,257
Other federal nonoperating grants	14,271
Gifts and grants received for other than capital purposes	2,220
Federal loan program receipts	66,931
Federal loan program disbursements	(68,060)
Monies received on behalf of others	22,033
Monies disbursed on behalf of others	(21,626)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(990)
Interest paid on long-term debt	(1,025)
Issuance of notes receivable	—
Principal collections on capital leases	990
Interest collections on capital leases	1,025
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	3,356
Net cash provided by noncapital financing activities	<u>313,098</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	623
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	22,870
Acquisition of capital assets	(29,124)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(7,534)
Interest paid on capital debt and leases	(18,161)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(31,326)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 617,939
Purchases of investments	(632,641)
Investment income proceeds	4,636
Net cash used in investing activities	<u>(10,066)</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	\$ (385,215)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,821
Change in assets and liabilities:	
Accounts receivable, net	193
Student loans receivable, net	(154)
Pledges receivable, net	—
Prepaid expenses and other current assets	527
Other assets	—
Deferred outflows of resources	(11,748)
Accounts payable	(652)
Accrued salaries and benefits	6,493
Accrued compensated absences	1,566
Unearned revenues	(354)
Depository accounts	—
Total other postemployment benefits liability	80,013
Net pension liability	23,849
Other liabilities	354
Deferred inflows of resources	<u>(18,399)</u>
Net cash used in operating activities	<u>\$ (271,706)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 19,087
Acquisition of capital assets through capital lease	3,452
Other assets paid through long-term debt	472
Amortization of net bond premium	2,087
Contributed capital assets	4,226
Change in accrued capital asset purchases	8,144

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2020

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,370
Payments from discretely presented component units for other than salaries	12,391
Payments to discretely presented component units for services, space, and programs	33,132
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	4,898
Accounts receivable from discretely presented component units	3,867
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,199)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	257
Payments to the Office of the Chancellor for state pro rata charges	83
Accounts receivable from the Office of the Chancellor	8
Accounts payable to the Office of the Chancellor	(5)
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	2,096
Other interagency payments (receipts) for services, space, and programs	(65)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 6,440	9,843	16,283
Short-term investments	174,044	43,899	217,943
Accounts receivable, net	17,680	20,868	38,548
Capital lease receivable, current portion	828	899	1,727
Notes receivable, current portion	—	321	321
Pledges receivable, net	—	404	404
Prepaid expenses and other current assets	3,294	2,376	5,670
Total current assets	<u>202,286</u>	<u>78,610</u>	<u>280,896</u>
Noncurrent assets:			
Restricted cash and cash equivalents	98	3,710	3,808
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	16,792	39,050	55,842
Notes receivable, net of current portion	—	1,640	1,640
Student loans receivable, net	3,211	—	3,211
Pledges receivable, net	—	886	886
Endowment investments	14	54,994	55,008
Other long-term investments	58,578	24,773	83,351
Capital assets, net	528,161	65,792	593,953
Other assets	182	215	397
Total noncurrent assets	<u>607,036</u>	<u>191,060</u>	<u>798,096</u>
Total assets	<u>809,322</u>	<u>269,670</u>	<u>1,078,992</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>185,557</u>	<u>5,912</u>	<u>191,469</u>
Liabilities			
Current liabilities:			
Accounts payable	5,301	5,924	11,225
Accrued salaries and benefits	24,263	3,456	27,719
Accrued compensated absences, current portion	7,585	2,062	9,647
Unearned revenues	21,301	2,222	23,523
Capital lease obligations, current portion	1,525	698	2,223
Long-term debt obligations, current portion	8,013	2,598	10,611
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	794	1,660	2,454
Other liabilities	2,983	1,357	4,340
Total current liabilities	<u>71,765</u>	<u>19,977</u>	<u>91,742</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	6,591	278	6,869
Unearned revenues	—	—	—
Grants refundable	4,548	4,242	8,790
Capital lease obligations, net of current portion	32,909	15,081	47,990
Long-term debt obligations, net of current portion	262,245	52,136	314,381
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	890,400	11,065	901,465
Net pension liability	461,658	18,837	480,495
Other liabilities	42	994	1,036
Total noncurrent liabilities	<u>1,658,393</u>	<u>102,633</u>	<u>1,761,026</u>
Total liabilities	<u>1,730,158</u>	<u>122,610</u>	<u>1,852,768</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>149,040</u>	<u>1,849</u>	<u>150,889</u>
Net Position			
Net position:			
Net investment in capital assets	264,357	35,439	299,796
Restricted for:			
Nonexpendable – endowments	14	51,507	51,521
Expendable:			
Scholarships and fellowships	457	8,264	8,721
Research	—	—	—
Loans	1,229	—	1,229
Capital projects	2,626	3,843	6,469
Debt service	1,076	3,294	4,370
Others	639	15,531	16,170
Unrestricted	(1,154,717)	33,245	(1,121,472)
Total net position	<u>\$ (884,319)</u>	<u>151,123</u>	<u>(733,196)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$111,855)	\$ 143,132	15,964	—	159,096
Grants and contracts, noncapital:				
Federal	1,858	15,519	—	17,377
State	1,071	32,588	—	33,659
Local	201	2,581	—	2,782
Nongovernmental	59	3,610	—	3,669
Sales and services of educational activities	3,348	15,049	—	18,397
Sales and services of auxiliary enterprises (net of scholarship allowances of \$5,831)	26,922	40,998	(3,255)	64,665
Other operating revenues	22,336	3,928	(13)	26,251
Total operating revenues	198,927	130,237	(3,268)	325,896
Expenses:				
Operating expenses:				
Instruction	242,173	8,533	—	250,706
Research	1,596	18,082	—	19,678
Public service	3,848	40,495	—	44,343
Academic support	36,084	9,974	—	46,058
Student services	60,247	12,510	—	72,757
Institutional support	74,047	42,507	(3,659)	112,895
Operation and maintenance of plant	53,331	6,214	—	59,545
Student grants and scholarships	95,474	845	—	96,319
Auxiliary enterprise expenses	25,878	5,584	—	31,462
Depreciation and amortization	34,840	4,094	—	38,934
Total operating expenses	627,518	148,838	(3,659)	772,697
Operating loss	(428,591)	(18,601)	391	(446,801)
Nonoperating revenues (expenses):				
State appropriations, noncapital	243,133	—	—	243,133
Federal financial aid grants, noncapital	77,475	—	—	77,475
State financial aid grants, noncapital	65,003	—	—	65,003
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	17,707	—	—	17,707
Gifts, noncapital	595	7,413	(159)	7,849
Investment income, net	6,982	5,972	—	12,954
Endowment income (loss), net	—	—	—	—
Interest expense	(12,263)	(2,677)	—	(14,940)
Other nonoperating revenues	5,766	13,327	—	19,093
Net nonoperating income	404,398	24,035	(159)	428,274
Income (loss) before other revenues	(24,193)	5,434	232	(18,527)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,921	—	(232)	2,689
Additions to permanent endowments	—	4,484	—	4,484
Increase (decrease) in net position	(21,272)	9,918	—	(11,354)
Net position:				
Net position at beginning of year	(863,047)	141,205	—	(721,842)
Net position at end of year	\$ (884,319)	151,123	—	(733,196)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 146,815
Federal grants and contracts	1,846
State grants and contracts	4,606
Local grants and contracts	219
Nongovernmental grants and contracts	93
Payments to suppliers	(81,649)
Payments to employees	(227,552)
Payments for benefits	(115,567)
Payments to students	(95,621)
Collections of student loans	28
Sales and services of educational activities	3,285
Sales and services of auxiliary enterprises	26,412
Other receipts	22,703
Net cash used in operating activities	<u>(314,382)</u>
Cash flows from noncapital financing activities:	
State appropriations	219,418
Federal financial aid grants	77,473
State financial aid grants	65,003
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	17,707
Gifts and grants received for other than capital purposes	595
Federal loan program receipts	96,668
Federal loan program disbursements	(97,641)
Monies received on behalf of others	13,330
Monies disbursed on behalf of others	(13,341)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(615)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on capital leases	167
Interest collections on capital leases	—
Principal collections on notes receivable	60
Interest collections on notes receivable	1
Other noncapital financing activities	4,819
Net cash provided by noncapital financing activities	<u>383,644</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	18,159
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	3,321
Proceeds from sale of capital assets	54
Acquisition of capital assets	(41,204)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(9,019)
Interest paid on capital debt and leases	(13,345)
Principal collection on capital leases	615
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(41,419)</u>

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 659,724
Purchases of investments	(686,849)
Investment income proceeds	5,793
Net cash used in investing activities	(21,332)
Net increase in cash and cash equivalents	6,511
Cash and cash equivalents at beginning of year	27
Cash and cash equivalents at end of year	<u>\$ 6,538</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 6,440
Restricted cash and cash equivalents	98
Total cash and cash equivalents at end of year	<u>\$ 6,538</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (428,591)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	34,840
Change in assets and liabilities:	
Accounts receivable, net	8,239
Student loans receivable, net	(8)
Pledges receivable, net	—
Prepaid expenses and other current assets	569
Other assets	50
Deferred outflows of resources	(21,965)
Accounts payable	(204)
Accrued salaries and benefits	(188)
Accrued compensated absences	2,261
Unearned revenues	(1,484)
Depository accounts	—
Total other postemployment benefits liability	82,206
Net pension liability	37,545
Other liabilities	(203)
Deferred inflows of resources	(27,449)
Net cash used in operating activities	<u>\$ (314,382)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,715
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	1,685
Contributed capital assets	400
Change in accrued capital asset purchases	4,365

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,218
Payments from discretely presented component units for other than salaries	7,727
Payments to discretely presented component units for services, space, and programs	15,460
Gifts in kind from discretely presented component units	21
Gifts (cash or assets) from discretely presented component units	390
Accounts receivable from discretely presented component units	2,693
Other amounts receivable from discretely presented component units	368
Accounts payable to discretely presented component units	(929)
Other amounts payable to discretely presented component units	(625)
Payments to the Office of the Chancellor for administrative activities	316
Payments to the Office of the Chancellor for state pro rata charges	174
Accounts receivable from the Office of the Chancellor	96
Accounts payable to the Office of the Chancellor	(47)
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	2,421
Other interagency payments (receipts) for services, space, and programs	(250)

See accompanying independent auditors' report.



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employees in California
is a CSU graduate



CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 21	4,307	4,328
Short-term investments	78,951	24,724	103,675
Accounts receivable, net	25,226	9,154	34,380
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	813	813
Prepaid expenses and other current assets	1,889	87	1,976
Total current assets	<u>106,087</u>	<u>39,085</u>	<u>145,172</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,426	—	1,426
Pledges receivable, net	—	—	—
Endowment investments	—	45,020	45,020
Other long-term investments	76,568	1,444	78,012
Capital assets, net	493,757	5,682	499,439
Other assets	101	81	182
Total noncurrent assets	<u>571,852</u>	<u>52,227</u>	<u>624,079</u>
Total assets	<u>677,939</u>	<u>91,312</u>	<u>769,251</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>105,205</u>	<u>2,626</u>	<u>107,831</u>
Liabilities			
Current liabilities:			
Accounts payable	10,165	5,666	15,831
Accrued salaries and benefits	13,407	669	14,076
Accrued compensated absences, current portion	4,151	444	4,595
Unearned revenues	18,611	4,214	22,825
Capital lease obligations, current portion	330	—	330
Long-term debt obligations, current portion	6,300	—	6,300
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	1,350	—	1,350
Other liabilities	7,142	2,894	10,036
Total current liabilities	<u>61,456</u>	<u>13,887</u>	<u>75,343</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	7,346	334	7,680
Unearned revenues	—	—	—
Grants refundable	1,180	—	1,180
Capital lease obligations, net of current portion	224	—	224
Long-term debt obligations, net of current portion	312,682	—	312,682
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	507,338	3,416	510,754
Net pension liability	306,191	5,408	311,599
Other liabilities	154	—	154
Total noncurrent liabilities	<u>1,135,115</u>	<u>9,158</u>	<u>1,144,273</u>
Total liabilities	<u>1,196,571</u>	<u>23,045</u>	<u>1,219,616</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>86,312</u>	<u>2,131</u>	<u>88,443</u>
Net Position			
Net position:			
Net investment in capital assets	230,245	5,682	235,927
Restricted for:			
Nonexpendable – endowments	—	45,020	45,020
Expendable:			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	1,105	—	1,105
Capital projects	305	—	305
Debt service	5,938	—	5,938
Others	—	11,296	11,296
Unrestricted	(737,332)	6,764	(730,568)
Total net position	<u>\$ (499,739)</u>	<u>68,762</u>	<u>(430,977)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$95,069)	\$ 58,025	1,775	—	59,800
Grants and contracts, noncapital:				
Federal	—	16,850	—	16,850
State	—	9,018	—	9,018
Local	—	2,808	—	2,808
Nongovernmental	—	356	—	356
Sales and services of educational activities	95	—	—	95
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,223)	6,134	800	—	6,934
Other operating revenues	7,942	7,992	(54)	15,880
Total operating revenues	72,196	39,599	(54)	111,741
Expenses:				
Operating expenses:				
Instruction	149,331	6	—	149,337
Research	684	17,105	—	17,789
Public service	1,052	5,474	—	6,526
Academic support	35,113	43	—	35,156
Student services	40,041	16,934	(54)	56,921
Institutional support	50,077	6,049	—	56,126
Operation and maintenance of plant	34,887	—	—	34,887
Student grants and scholarships	58,695	1,504	(1,477)	58,722
Auxiliary enterprise expenses	8,554	2,359	—	10,913
Depreciation and amortization	24,477	1,061	—	25,538
Total operating expenses	402,911	50,535	(1,531)	451,915
Operating loss	(330,715)	(10,936)	1,477	(340,174)
Nonoperating revenues (expenses):				
State appropriations, noncapital	164,032	—	—	164,032
Federal financial aid grants, noncapital	59,138	—	—	59,138
State financial aid grants, noncapital	45,235	—	—	45,235
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,477	—	(1,477)	—
Other federal nonoperating grants, noncapital	12,917	—	—	12,917
Gifts, noncapital	42	2,112	—	2,154
Investment income, net	4,358	354	—	4,712
Endowment income, net	—	134	—	134
Interest expense	(6,387)	—	—	(6,387)
Other nonoperating revenues	8,080	5,717	—	13,797
Net nonoperating income	288,892	8,317	(1,477)	295,732
Loss before other revenues	(41,823)	(2,619)	—	(44,442)
State appropriations, capital	0	—	—	0
Grants and gifts, capital	105	—	—	105
Additions to permanent endowments	—	837	—	837
Decrease in net position	(41,718)	(1,782)	—	(43,500)
Net position:				
Net position at beginning of year	(458,021)	70,544	—	(387,477)
Net position at end of year	\$ (499,739)	68,762	—	(430,977)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 50,035
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(40,462)
Payments to employees	(147,295)
Payments for benefits	(74,062)
Payments to students	(58,305)
Collections of student loans	26
Sales and services of educational activities	440
Sales and services of auxiliary enterprises	6,476
Other receipts	9,719
Net cash used in operating activities	<u>(253,428)</u>
Cash flows from noncapital financing activities:	
State appropriations	150,619
Federal financial aid grants	59,357
State financial aid grants	44,577
Nongovernmental and other financial aid grants	1,477
Other federal nonoperating grants	12,917
Gifts and grants received for other than capital purposes	42
Federal loan program receipts	56,189
Federal loan program disbursements	(56,056)
Monies received on behalf of others	4,260
Monies disbursed on behalf of others	(3,818)
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	7,393
Net cash provided by noncapital financing activities	<u>276,957</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	88,918
State appropriations	1,659
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	44
Acquisition of capital assets	(58,723)
Transfers to escrow agent	(1,004)
Principal paid on capital debt and leases	(6,124)
Interest paid on capital debt and leases	(12,989)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash provided by capital and related financing activities	<u>11,781</u>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 485,451
Purchases of investments	(524,612)
Investment income proceeds	3,851
Net cash used in investing activities	<u>(35,310)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year	21
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	\$ (330,715)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	24,477
Change in assets and liabilities:	
Accounts receivable, net	(16,401)
Student loans receivable, net	(119)
Pledges receivable, net	—
Prepaid expenses and other current assets	(327)
Other assets	—
Deferred outflows of resources	(5,483)
Accounts payable	566
Accrued salaries and benefits	53
Accrued compensated absences	1,958
Unearned revenues	14,401
Depository accounts	—
Total other postemployment benefits liability	57,479
Net pension liability	15,715
Other liabilities	(1,404)
Deferred inflows of resources	<u>(13,628)</u>
Net cash used in operating activities	<u>\$ (253,428)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 13,520
Acquisition of capital assets through capital lease	39
Other assets paid through long-term debt	—
Amortization of net bond premium	1,842
Contributed capital assets	105
Change in accrued capital asset purchases	3,514

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,871
Payments from discretely presented component units for other than salaries	11,636
Payments to discretely presented component units for services, space, and programs	3,979
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	2,835
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(143)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	493
Payments to the Office of the Chancellor for state pro rata charges	63
Accounts receivable from the Office of the Chancellor	505
Accounts payable to the Office of the Chancellor	(9)
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	1,844
Other interagency payments (receipts) for services, space, and programs	46

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 55	19,788	19,843
Short-term investments	424,908	102,740	527,648
Accounts receivable, net	18,211	46,552	64,763
Capital lease receivable, current portion	235	—	235
Notes receivable, current portion	—	679	679
Pledges receivable, net	—	9,433	9,433
Prepaid expenses and other current assets	2,768	3,815	6,583
Total current assets	<u>446,177</u>	<u>183,007</u>	<u>629,184</u>
Noncurrent assets:			
Restricted cash and cash equivalents	103	832	935
Accounts receivable, net	7,042	—	7,042
Capital lease receivable, net of current portion	1,996	—	1,996
Notes receivable, net of current portion	—	11,706	11,706
Student loans receivable, net	3,837	—	3,837
Pledges receivable, net	—	27,129	27,129
Endowment investments	—	353,237	353,237
Other long-term investments	138,660	38,424	177,084
Capital assets, net	994,502	131,544	1,126,046
Other assets	7,995	8,348	16,343
Total noncurrent assets	<u>1,154,135</u>	<u>571,220</u>	<u>1,725,355</u>
Total assets	<u>1,600,312</u>	<u>754,227</u>	<u>2,354,539</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>218,474</u>	<u>571</u>	<u>219,045</u>
Liabilities			
Current liabilities:			
Accounts payable	25,739	9,108	34,847
Accrued salaries and benefits	31,507	5,276	36,783
Accrued compensated absences, current portion	6,496	1,530	8,026
Unearned revenues	54,907	20,585	75,492
Capital lease obligations, current portion	1,546	235	1,781
Long-term debt obligations, current portion	16,030	3,712	19,742
Claims liability for losses and loss adjustment expenses, current portion	—	1,415	1,415
Depository accounts	392	—	392
Other liabilities	7,084	50,726	57,810
Total current liabilities	<u>143,701</u>	<u>92,587</u>	<u>236,288</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	15,516	3,143	18,659
Unearned revenues	1,670	—	1,670
Grants refundable	4,253	—	4,253
Capital lease obligations, net of current portion	21,961	2,015	23,976
Long-term debt obligations, net of current portion	583,551	84,363	667,914
Claims liability for losses and loss adjustment expenses, net of current portion	—	2,634	2,634
Depository accounts	—	—	—
Total other postemployment benefits liability	1,182,052	13,634	1,195,686
Net pension liability	589,131	7,765	596,896
Other liabilities	494	9,882	10,376
Total noncurrent liabilities	<u>2,398,628</u>	<u>123,436</u>	<u>2,522,064</u>
Total liabilities	<u>2,542,329</u>	<u>216,023</u>	<u>2,758,352</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>197,439</u>	<u>3,201</u>	<u>200,640</u>
Net Position			
Net position:			
Net investment in capital assets	412,720	41,454	454,174
Restricted for:			
Nonexpendable – endowments	—	218,621	218,621
Expendable:			
Scholarships and fellowships	294	19,768	20,062
Research	—	8,590	8,590
Loans	448	—	448
Capital projects	20,957	19,974	40,931
Debt service	1,987	—	1,987
Others	96	183,367	183,463
Unrestricted	(1,357,484)	43,800	(1,313,684)
Total net position	<u>\$ (920,982)</u>	<u>535,574</u>	<u>(385,408)</u>

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$133,971)	\$ 219,351	21,466	—	240,817
Grants and contracts, noncapital:				
Federal	—	87,010	—	87,010
State	17	8,515	—	8,532
Local	—	1,677	—	1,677
Nongovernmental	1,343	21,864	—	23,207
Sales and services of educational activities	17,468	9,680	—	27,148
Sales and services of auxiliary enterprises (net of scholarship allowances of \$15,345)	52,209	75,469	—	127,678
Other operating revenues	18,102	14,810	—	32,912
Total operating revenues	308,490	240,491	—	548,981
Expenses:				
Operating expenses:				
Instruction	297,295	30,236	—	327,531
Research	5,571	42,871	—	48,442
Public service	5,464	52,203	—	57,667
Academic support	79,936	16,982	(1,430)	95,488
Student services	111,835	4,946	(2,161)	114,620
Institutional support	63,482	22,008	—	85,490
Operation and maintenance of plant	74,167	7,064	—	81,231
Student grants and scholarships	44,827	6,768	(6,679)	44,916
Auxiliary enterprise expenses	57,043	80,915	—	137,958
Depreciation and amortization	52,527	10,299	—	62,826
Total operating expenses	792,147	274,292	(10,270)	1,056,169
Operating loss	(483,657)	(33,801)	10,270	(507,188)
Nonoperating revenues (expenses):				
State appropriations, noncapital	289,797	—	—	289,797
Federal financial aid grants, noncapital	54,942	—	—	54,942
State financial aid grants, noncapital	45,295	—	—	45,295
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	8,846	—	(6,679)	2,167
Other federal nonoperating grants, noncapital	13,193	—	—	13,193
Gifts, noncapital	7,156	21,515	(7,156)	21,515
Investment income, net	9,951	4,016	—	13,967
Endowment income, net	—	16,972	—	16,972
Interest expense	(21,668)	(4,115)	—	(25,783)
Other nonoperating revenues	6,934	1,176	7,840	15,950
Net nonoperating income	414,446	39,564	(5,995)	448,015
Income (loss) before other revenues	(69,211)	5,763	4,275	(59,173)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	6,775	4,144	(4,275)	6,644
Additions to permanent endowments	—	51,212	—	51,212
Increase (decrease) in net position	(62,436)	61,119	—	(1,317)
Net position:				
Net position at beginning of year	(858,546)	474,455	—	(384,091)
Net position at end of year	\$ (920,982)	535,574	—	(385,408)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 223,278
Federal grants and contracts	(794)
State grants and contracts	404
Local grants and contracts	—
Nongovernmental grants and contracts	1,343
Payments to suppliers	(134,209)
Payments to employees	(286,981)
Payments for benefits	(144,321)
Payments to students	(45,032)
Collections of student loans	160
Sales and services of educational activities	17,077
Sales and services of auxiliary enterprises	52,081
Other receipts	18,719
Net cash used in operating activities	<u>(298,275)</u>
Cash flows from noncapital financing activities:	
State appropriations	250,989
Federal financial aid grants	55,084
State financial aid grants	45,295
Nongovernmental and other financial aid grants	8,846
Other federal nonoperating grants	13,193
Gifts and grants received for other than capital purposes	7,156
Federal loan program receipts	118,745
Federal loan program disbursements	(117,728)
Monies received on behalf of others	39,549
Monies disbursed on behalf of others	(42,351)
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	7,010
Net cash provided by noncapital financing activities	<u>385,788</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	128,130
State appropriations	7,359
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	6,775
Proceeds from sale of capital assets	809
Acquisition of capital assets	(104,954)
Transfers to escrow agent	(83,722)
Principal paid on capital debt and leases	(14,192)
Interest paid on capital debt and leases	(23,634)
Principal collection on capital leases	226
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(83,203)</u>

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 1,002,350
Purchases of investments	(1,014,548)
Investment income proceeds	7,444
Net cash used in investing activities	(4,754)
Net decrease in cash and cash equivalents	(444)
Cash and cash equivalents at beginning of year	602
Cash and cash equivalents at end of year	<u>\$ 158</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 55
Restricted cash and cash equivalents	103
Total cash and cash equivalents at end of year	<u>\$ 158</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (483,657)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	52,527
Change in assets and liabilities:	
Accounts receivable, net	(3,982)
Student loans receivable, net	(51)
Pledges receivable, net	—
Prepaid expenses and other current assets	1,009
Other assets	67
Deferred outflows of resources	(31,029)
Accounts payable	1,730
Accrued salaries and benefits	661
Accrued compensated absences	2,900
Unearned revenues	5,566
Depository accounts	—
Total other postemployment benefits liability	143,337
Net pension liability	42,851
Other liabilities	(395)
Deferred inflows of resources	(29,809)
Net cash used in operating activities	<u>\$ (298,275)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 31,821
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	2,797
Contributed capital assets	—
Change in accrued capital asset purchases	13,704

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,602
Payments from discretely presented component units for other than salaries	9,843
Payments to discretely presented component units for services, space, and programs	25,929
Gifts in kind from discretely presented component units	3,829
Gifts (cash or assets) from discretely presented component units	14,244
Accounts receivable from discretely presented component units	9,332
Other amounts receivable from discretely presented component units	2,231
Accounts payable to discretely presented component units	(2,399)
Other amounts payable to discretely presented component units	(750)
Payments to the Office of the Chancellor for administrative activities	661
Payments to the Office of the Chancellor for state pro rata charges	99
Accounts receivable from the Office of the Chancellor	98
Accounts payable to the Office of the Chancellor	(50)
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	2,920
Other interagency payments (receipts) for services, space, and programs	403

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 21	2,428	2,449
Short-term investments	181,352	78,525	259,877
Accounts receivable, net	27,118	4,254	31,372
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	8	8
Pledges receivable, net	—	874	874
Prepaid expenses and other current assets	4,389	149	4,538
Total current assets	<u>212,880</u>	<u>86,238</u>	<u>299,118</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	3,192	—	3,192
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,969	—	2,969
Pledges receivable, net	—	10,116	10,116
Endowment investments	—	101,848	101,848
Other long-term investments	12,766	10,527	23,293
Capital assets, net	557,996	4,093	562,089
Other assets	38	716	754
Total noncurrent assets	<u>576,961</u>	<u>127,300</u>	<u>704,261</u>
Total assets	<u>789,841</u>	<u>213,538</u>	<u>1,003,379</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>182,127</u>	<u>—</u>	<u>182,127</u>
Liabilities			
Current liabilities:			
Accounts payable	14,566	1,912	16,478
Accrued salaries and benefits	28,927	233	29,160
Accrued compensated absences, current portion	8,982	102	9,084
Unearned revenues	14,352	70	14,422
Capital lease obligations, current portion	898	—	898
Long-term debt obligations, current portion	9,880	181	10,061
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	3,459	—	3,459
Other liabilities	5,136	113	5,249
Total current liabilities	<u>86,200</u>	<u>2,611</u>	<u>88,811</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	8,605	301	8,906
Unearned revenues	—	95	95
Grants refundable	3,121	—	3,121
Capital lease obligations, net of current portion	19,155	—	19,155
Long-term debt obligations, net of current portion	238,443	358	238,801
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	912,490	5,635	918,125
Net pension liability	527,959	—	527,959
Other liabilities	—	624	624
Total noncurrent liabilities	<u>1,709,773</u>	<u>7,013</u>	<u>1,716,786</u>
Total liabilities	<u>1,795,973</u>	<u>9,624</u>	<u>1,805,597</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>154,489</u>	<u>1,778</u>	<u>156,267</u>
Net Position			
Net position:			
Net investment in capital assets	291,698	2,336	294,034
Restricted for:			
Nonexpendable – endowments	—	90,921	90,921
Expendable:			
Scholarships and fellowships	—	68,937	68,937
Research	—	—	—
Loans	1,357	—	1,357
Capital projects	3,036	3,550	6,586
Debt service	77	—	77
Others	—	—	—
Unrestricted	(1,274,662)	36,392	(1,238,270)
Total net position	<u>\$ (978,494)</u>	<u>202,136</u>	<u>(776,358)</u>

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$116,537)	\$ 138,035	6,787	—	144,822
Grants and contracts, noncapital:				
Federal	21,683	285	—	21,968
State	2,326	103	—	2,429
Local	1,187	94	—	1,281
Nongovernmental	3,430	100	—	3,530
Sales and services of educational activities	168	—	—	168
Sales and services of auxiliary enterprises (net of scholarship allowances of \$7,776)	44,084	25,754	—	69,838
Other operating revenues	16,010	3,401	—	19,411
Total operating revenues	226,923	36,524	—	263,447
Expenses:				
Operating expenses:				
Instruction	248,238	2,172	—	250,410
Research	16,132	540	—	16,672
Public service	7,664	502	—	8,166
Academic support	64,439	1,587	—	66,026
Student services	55,063	7,018	—	62,081
Institutional support	65,717	5,364	—	71,081
Operation and maintenance of plant	72,760	1,055	—	73,815
Student grants and scholarships	59,034	4,700	(2,244)	61,490
Auxiliary enterprise expenses	12,645	6,322	—	18,967
Depreciation and amortization	31,307	539	—	31,846
Total operating expenses	632,999	29,799	(2,244)	660,554
Operating income (loss)	(406,076)	6,725	2,244	(397,107)
Nonoperating revenues (expenses):				
State appropriations, noncapital	240,131	—	—	240,131
Federal financial aid grants, noncapital	60,663	—	—	60,663
State financial aid grants, noncapital	45,663	—	—	45,663
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	14,363	—	—	14,363
Gifts, noncapital	2,457	6,376	(2,244)	6,589
Investment income, net	5,567	4,842	—	10,409
Endowment income (loss), net	—	—	—	—
Interest expense	(9,384)	—	—	(9,384)
Other nonoperating revenues (expenses)	34,083	(7,607)	—	26,476
Net nonoperating income	393,543	3,611	(2,244)	394,910
Income (loss) before other revenues	(12,533)	10,336	—	(2,197)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	206	—	—	206
Additions to permanent endowments	—	4,740	—	4,740
Increase (decrease) in net position	(12,327)	15,076	—	2,749
Net position:				
Net position at beginning of year	(966,167)	187,060	—	(779,107)
Net position at end of year	\$ (978,494)	202,136	—	(776,358)

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 130,022
Federal grants and contracts	23,913
State grants and contracts	1,843
Local grants and contracts	483
Nongovernmental grants and contracts	5,202
Payments to suppliers	(117,851)
Payments to employees	(241,304)
Payments for benefits	(119,710)
Payments to students	(58,053)
Collections of student loans	145
Sales and services of educational activities	168
Sales and services of auxiliary enterprises	40,321
Other receipts	19,032
Net cash used in operating activities	<u>(315,789)</u>
Cash flows from noncapital financing activities:	
State appropriations	216,538
Federal financial aid grants	62,103
State financial aid grants	44,642
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	14,363
Gifts and grants received for other than capital purposes	2,557
Federal loan program receipts	97,429
Federal loan program disbursements	(99,588)
Monies received on behalf of others	6,402
Monies disbursed on behalf of others	(6,514)
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	26,161
Net cash provided by noncapital financing activities	<u>364,093</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	1,705
State appropriations	153
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	206
Proceeds from sale of capital assets	—
Acquisition of capital assets	(51,476)
Transfers to escrow agent	(2,803)
Principal paid on capital debt and leases	(10,080)
Interest paid on capital debt and leases	(12,187)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(74,482)</u>

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 780,915
Purchases of investments	(771,033)
Investment income proceeds	4,675
Net cash provided by investing activities	14,557
Net decrease in cash and cash equivalents	(11,621)
Cash and cash equivalents at beginning of year	11,642
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	\$ (406,076)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,307
Change in assets and liabilities:	
Accounts receivable, net	910
Student loans receivable, net	(65)
Pledges receivable, net	—
Prepaid expenses and other current assets	(598)
Other assets	—
Deferred outflows of resources	(13,437)
Accounts payable	(4,092)
Accrued salaries and benefits	1,060
Accrued compensated absences	1,211
Unearned revenues	(4,948)
Depository accounts	—
Total other postemployment benefits liability	80,738
Net pension liability	28,059
Other liabilities	(832)
Deferred inflows of resources	(29,026)
Net cash used in operating activities	<u>\$ (315,789)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,592
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	1,932
Contributed capital assets	—
Change in accrued capital asset purchases	3,425

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,470
Payments from discretely presented component units for other than salaries	6,718
Payments to discretely presented component units for services, space, and programs	8,129
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,313
Accounts receivable from discretely presented component units	956
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(227)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	248
Payments to the Office of the Chancellor for state pro rata charges	176
Accounts receivable from the Office of the Chancellor	7,372
Accounts payable to the Office of the Chancellor	(4)
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	2,582
Other interagency payments (receipts) for services, space, and programs	(98)

See accompanying independent auditors' report.



ONE-THIRD

of undergraduates are
the first in their families
to attend college



SAN JOSE STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 25	31,818	31,843
Short-term investments	195,780	35,946	231,726
Accounts receivable, net	24,767	8,057	32,824
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	4,795	4,795
Prepaid expenses and other current assets	2,355	794	3,149
Total current assets	<u>222,927</u>	<u>81,410</u>	<u>304,337</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	2,513	2,513
Accounts receivable, net	423	—	423
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	231	231
Student loans receivable, net	3,794	—	3,794
Pledges receivable, net	—	10,354	10,354
Endowment investments	—	148,287	148,287
Other long-term investments	133,872	15,547	149,419
Capital assets, net	810,420	24,960	835,380
Other assets	4,131	13,994	18,125
Total noncurrent assets	<u>952,640</u>	<u>215,886</u>	<u>1,168,526</u>
Total assets	<u>1,175,567</u>	<u>297,296</u>	<u>1,472,863</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>206,121</u>	<u>5,436</u>	<u>211,557</u>
Liabilities			
Current liabilities:			
Accounts payable	43,114	6,236	49,350
Accrued salaries and benefits	29,851	2,309	32,160
Accrued compensated absences, current portion	4,777	2,119	6,896
Unearned revenues	29,654	4,326	33,980
Capital lease obligations, current portion	—	6	6
Long-term debt obligations, current portion	13,285	2,548	15,833
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	79	—	79
Other liabilities	7,278	2,212	9,490
Total current liabilities	<u>128,038</u>	<u>19,756</u>	<u>147,794</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	12,792	138	12,930
Unearned revenues	5,170	6,439	11,609
Grants refundable	5,206	—	5,206
Capital lease obligations, net of current portion	—	—	—
Long-term debt obligations, net of current portion	498,815	—	498,815
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	318	318
Total other postemployment benefits liability	981,990	23,789	1,005,779
Net pension liability	539,712	—	539,712
Other liabilities	558	1,998	2,556
Total noncurrent liabilities	<u>2,044,243</u>	<u>32,682</u>	<u>2,076,925</u>
Total liabilities	<u>2,172,281</u>	<u>52,438</u>	<u>2,224,719</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>165,517</u>	<u>678</u>	<u>166,195</u>
Net Position			
Net position:			
Net investment in capital assets	299,165	20,579	319,744
Restricted for:			
Nonexpendable – endowments	—	119,777	119,777
Expendable:			
Scholarships and fellowships	8,059	3,631	11,690
Research	—	29	29
Loans	6,225	—	6,225
Capital projects	106	—	106
Debt service	4,721	—	4,721
Others	—	73,904	73,904
Unrestricted	(1,274,386)	31,696	(1,242,690)
Total net position	<u>\$ (956,110)</u>	<u>249,616</u>	<u>(706,494)</u>

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$108,926)	\$ 197,995	20,125	—	218,120
Grants and contracts, noncapital:				
Federal	—	30,295	—	30,295
State	—	10,034	—	10,034
Local	—	2,784	—	2,784
Nongovernmental	—	6,218	—	6,218
Sales and services of educational activities	10,258	—	—	10,258
Sales and services of auxiliary enterprises (net of scholarship allowances of \$8,237)	49,005	6,410	(127)	55,288
Other operating revenues	13,658	27,565	(17)	41,206
Total operating revenues	270,916	103,431	(144)	374,203
Expenses:				
Operating expenses:				
Instruction	282,359	7,276	(95)	289,540
Research	1,187	35,886	—	37,073
Public service	3,345	33	—	3,378
Academic support	53,256	12,125	(457)	64,924
Student services	83,962	12,518	—	96,480
Institutional support	75,040	22,548	(49)	97,539
Operation and maintenance of plant	50,673	627	—	51,300
Student grants and scholarships	51,557	6,048	(3,638)	53,967
Auxiliary enterprise expenses	44,792	11,376	—	56,168
Depreciation and amortization	38,674	3,614	—	42,288
Total operating expenses	684,845	112,051	(4,239)	792,657
Operating loss	(413,929)	(8,620)	4,095	(418,454)
Nonoperating revenues (expenses):				
State appropriations, noncapital	243,582	—	—	243,582
Federal financial aid grants, noncapital	55,331	833	—	56,164
State financial aid grants, noncapital	48,779	1,339	—	50,118
Local financial aid grants, noncapital	—	115	—	115
Nongovernmental and other financial aid grants, noncapital	—	68	—	68
Other federal nonoperating grants, noncapital	13,667	—	—	13,667
Gifts, noncapital	4,037	670	(3,832)	875
Investment income, net	7,284	(1,042)	—	6,242
Endowment income (loss), net	—	—	—	—
Interest expense	(18,670)	—	—	(18,670)
Other nonoperating revenues	55,852	1,601	500	57,953
Net nonoperating income	409,862	3,584	(3,332)	410,114
Loss before other revenues	(4,067)	(5,036)	763	(8,340)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,671	—	(763)	1,908
Additions (reductions) to permanent endowments	—	—	—	—
Decrease in net position	(1,396)	(5,036)	—	(6,432)
Net position:				
Net position at beginning of year	(954,714)	254,652	—	(700,062)
Net position at end of year	\$ (956,110)	249,616	—	(706,494)

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 187,454
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(118,658)
Payments to employees	(260,478)
Payments for benefits	(126,664)
Payments to students	(51,619)
Collections of student loans	28
Sales and services of educational activities	10,258
Sales and services of auxiliary enterprises	42,815
Other receipts	14,174
Net cash used in operating activities	<u>(302,690)</u>
Cash flows from noncapital financing activities:	
State appropriations	217,817
Federal financial aid grants	55,710
State financial aid grants	48,779
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	13,667
Gifts and grants received for other than capital purposes	4,037
Federal loan program receipts	100,376
Federal loan program disbursements	(100,872)
Monies received on behalf of others	7,770
Monies disbursed on behalf of others	(7,764)
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	54,150
Net cash provided by noncapital financing activities	<u>393,670</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	88,263
State appropriations	1,476
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	2,671
Proceeds from sale of capital assets	166
Acquisition of capital assets	(92,828)
Transfers to escrow agent	(57,428)
Principal paid on capital debt and leases	(13,540)
Interest paid on capital debt and leases	(20,511)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(91,731)</u>

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 970,101
Purchases of investments	(977,072)
Investment income proceeds	5,610
Net cash used in investing activities	(1,361)
Net decrease in cash and cash equivalents	(2,112)
Cash and cash equivalents at beginning of year	2,137
Cash and cash equivalents at end of year	<u>\$ 25</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 25
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 25</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (413,929)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	38,674
Change in assets and liabilities:	
Accounts receivable, net	(10,785)
Student loans receivable, net	(45)
Pledges receivable, net	—
Prepaid expenses and other current assets	435
Other assets	175
Deferred outflows of resources	(17,935)
Accounts payable	(502)
Accrued salaries and benefits	427
Accrued compensated absences	(3,803)
Unearned revenues	(5,439)
Depository accounts	—
Total other postemployment benefits liability	99,401
Net pension liability	39,120
Other liabilities	82
Deferred inflows of resources	(28,566)
Net cash used in operating activities	<u>\$ (302,690)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 25,766
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	2,820
Contributed capital assets	—
Change in accrued capital asset purchases	17,489

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,491
Payments from discretely presented component units for other than salaries	9,426
Payments to discretely presented component units for services, space, and programs	26,961
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	6,959
Accounts receivable from discretely presented component units	3,233
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(44)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	560
Payments to the Office of the Chancellor for state pro rata charges	248
Accounts receivable from the Office of the Chancellor	13,561
Accounts payable to the Office of the Chancellor	(2)
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	2,458
Other interagency payments (receipts) for services, space, and programs	16

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 8	28,210	28,218
Short-term investments	199,436	75,430	274,866
Accounts receivable, net	7,694	8,794	16,488
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	27,714	27,714
Prepaid expenses and other current assets	2,435	2,199	4,634
Total current assets	<u>209,573</u>	<u>142,347</u>	<u>351,920</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	505	505
Accounts receivable, net	3,137	19	3,156
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,599	—	2,599
Pledges receivable, net	—	44,771	44,771
Endowment investments	—	226,111	226,111
Other long-term investments	45,990	100,275	146,265
Capital assets, net	906,511	77,612	984,123
Other assets	318	595	913
Total noncurrent assets	<u>958,555</u>	<u>449,888</u>	<u>1,408,443</u>
Total assets	<u>1,168,128</u>	<u>592,235</u>	<u>1,760,363</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>193,580</u>	<u>3,765</u>	<u>197,345</u>
Liabilities			
Current liabilities:			
Accounts payable	17,579	5,030	22,609
Accrued salaries and benefits	25,274	1,677	26,951
Accrued compensated absences, current portion	6,493	1,199	7,692
Unearned revenues	12,507	9,820	22,327
Capital lease obligations, current portion	183	—	183
Long-term debt obligations, current portion	15,694	445	16,139
Claims liability for losses and loss adjustment expenses, current portion	—	208	208
Depository accounts	244	1,909	2,153
Other liabilities	6,564	399	6,963
Total current liabilities	<u>84,538</u>	<u>20,687</u>	<u>105,225</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	8,730	147	8,877
Unearned revenues	—	—	—
Grants refundable	1,779	—	1,779
Capital lease obligations, net of current portion	815	—	815
Long-term debt obligations, net of current portion	572,033	29,011	601,044
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	3,845	3,845
Total other postemployment benefits liability	896,506	6,093	902,599
Net pension liability	515,556	22,020	537,576
Other liabilities	205	6,990	7,195
Total noncurrent liabilities	<u>1,995,624</u>	<u>68,106</u>	<u>2,063,730</u>
Total liabilities	<u>2,080,162</u>	<u>88,793</u>	<u>2,168,955</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>152,397</u>	<u>20,102</u>	<u>172,499</u>
Net Position			
Net position:			
Net investment in capital assets	327,534	37,447	364,981
Restricted for:			
Nonexpendable – endowments	—	137,888	137,888
Expendable:			
Scholarships and fellowships	5,261	14,096	19,357
Research	—	7,043	7,043
Loans	3,526	—	3,526
Capital projects	7,169	71,771	78,940
Debt service	25	—	25
Others	209	150,486	150,695
Unrestricted	(1,214,575)	68,374	(1,146,201)
Total net position	<u>\$ (870,851)</u>	<u>487,105</u>	<u>(383,746)</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, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$49,904)	\$ 204,337	7,285	—	211,622
Grants and contracts, noncapital:				
Federal	—	14,193	—	14,193
State	—	4,801	—	4,801
Local	—	472	—	472
Nongovernmental	—	4,870	—	4,870
Sales and services of educational activities	1,538	—	—	1,538
Sales and services of auxiliary enterprises (net of scholarship allowances of \$6,338)	52,153	31,299	—	83,452
Other operating revenues	21,390	22,882	(6,257)	38,015
Total operating revenues	<u>279,418</u>	<u>85,802</u>	<u>(6,257)</u>	<u>358,963</u>
Expenses:				
Operating expenses:				
Instruction	237,476	3,626	(2,655)	238,447
Research	2,820	19,461	(797)	21,484
Public service	1,024	13,510	(133)	14,401
Academic support	83,087	15,080	(7,012)	91,155
Student services	89,405	13,004	(5,052)	97,357
Institutional support	33,157	16,267	(4,929)	44,495
Operation and maintenance of plant	46,975	18,098	(10,156)	54,917
Student grants and scholarships	26,061	7,807	(1,832)	32,036
Auxiliary enterprise expenses	54,915	30,044	—	84,959
Depreciation and amortization	46,178	2,096	—	48,274
Total operating expenses	<u>621,098</u>	<u>138,993</u>	<u>(32,566)</u>	<u>727,525</u>
Operating loss	<u>(341,680)</u>	<u>(53,191)</u>	<u>26,309</u>	<u>(368,562)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	202,232	—	—	202,232
Federal financial aid grants, noncapital	18,319	—	—	18,319
State financial aid grants, noncapital	21,360	—	—	21,360
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	9,652	—	(2,386)	7,266
Other federal nonoperating grants, noncapital	8,018	—	—	8,018
Gifts, noncapital	13,477	34,107	(12,791)	34,793
Investment income, net	5,581	3,173	—	8,754
Endowment income, net	—	2,405	—	2,405
Interest expense	(24,407)	(1,111)	—	(25,518)
Other nonoperating revenues (expenses)	35,067	(2,870)	(2)	32,195
Net nonoperating income	<u>289,299</u>	<u>35,704</u>	<u>(15,179)</u>	<u>309,824</u>
Loss before other revenues	<u>(52,381)</u>	<u>(17,487)</u>	<u>11,130</u>	<u>(58,738)</u>
State appropriations, capital	—	—	—	—
Grants and gifts, capital	26,914	3,931	(11,130)	19,715
Additions to permanent endowments	—	7,450	—	7,450
Decrease in net position	<u>(25,467)</u>	<u>(6,106)</u>	<u>—</u>	<u>(31,573)</u>
Net position:				
Net position at beginning of year	<u>(845,384)</u>	<u>493,211</u>	<u>—</u>	<u>(352,173)</u>
Net position at end of year	<u>\$ (870,851)</u>	<u>487,105</u>	<u>—</u>	<u>(383,746)</u>

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 203,615
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(107,540)
Payments to employees	(232,193)
Payments for benefits	(121,699)
Payments to students	(26,224)
Collections of student loans	33
Sales and services of educational activities	1,538
Sales and services of auxiliary enterprises	52,028
Other receipts	17,372
Net cash used in operating activities	<u>(213,070)</u>
Cash flows from noncapital financing activities:	
State appropriations	178,238
Federal financial aid grants	18,319
State financial aid grants	21,360
Nongovernmental and other financial aid grants	9,652
Other federal nonoperating grants	7,241
Gifts and grants received for other than capital purposes	13,477
Federal loan program receipts	77,589
Federal loan program disbursements	(78,269)
Monies received on behalf of others	14,084
Monies disbursed on behalf of others	(14,157)
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	33,938
Net cash provided by noncapital financing activities	<u>281,472</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	9,889
State appropriations	1,788
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	26,914
Proceeds from sale of capital assets	552
Acquisition of capital assets	(57,360)
Transfers to escrow agent	(9,864)
Principal paid on capital debt and leases	(15,709)
Interest paid on capital debt and leases	(26,795)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(70,585)</u>

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 779,645
Purchases of investments	(781,836)
Investment income proceeds	4,373
Net cash provided by investing activities	2,182
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year	9
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	\$ (341,680)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	46,178
Change in assets and liabilities:	
Accounts receivable, net	(3,636)
Student loans receivable, net	(129)
Pledges receivable, net	—
Prepaid expenses and other current assets	1,223
Other assets	—
Deferred outflows of resources	(8,294)
Accounts payable	(3,576)
Accrued salaries and benefits	638
Accrued compensated absences	2,084
Unearned revenues	(592)
Depository accounts	—
Total other postemployment benefits liability	91,764
Net pension liability	31,358
Other liabilities	(2,331)
Deferred inflows of resources	(26,077)
Net cash used in operating activities	<u>\$ (213,070)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 23,994
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	3,247
Contributed capital assets	—
Change in accrued capital asset purchases	5,356

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 9,469
Payments from discretely presented component units for other than salaries	29,658
Payments to discretely presented component units for services, space, and programs	3,686
Gifts in kind from discretely presented component units	3,304
Gifts (cash or assets) from discretely presented component units	23,641
Accounts receivable from discretely presented component units	837
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,885)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,013
Payments to the Office of the Chancellor for state pro rata charges	120
Accounts receivable from the Office of the Chancellor	2,552
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	1,827
Other interagency payments (receipts) for services, space, and programs	(279)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 8	4,376	4,384
Short-term investments	71,234	11,557	82,791
Accounts receivable, net	4,498	7,634	12,132
Capital lease receivable, current portion	905	3,506	4,411
Notes receivable, current portion	28	—	28
Pledges receivable, net	—	1,488	1,488
Prepaid expenses and other current assets	2,190	5	2,195
Total current assets	<u>78,863</u>	<u>28,566</u>	<u>107,429</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	237	237
Accounts receivable, net	1,281	—	1,281
Capital lease receivable, net of current portion	14,855	95,967	110,822
Notes receivable, net of current portion	122	—	122
Student loans receivable, net	274	50	324
Pledges receivable, net	—	1,258	1,258
Endowment investments	—	27,957	27,957
Other long-term investments	5,344	8,813	14,157
Capital assets, net	291,425	23,138	314,563
Other assets	51	103	154
Total noncurrent assets	<u>313,352</u>	<u>157,523</u>	<u>470,875</u>
Total assets	<u>392,215</u>	<u>186,089</u>	<u>578,304</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>91,611</u>	<u>—</u>	<u>91,611</u>
Liabilities			
Current liabilities:			
Accounts payable	4,729	3,581	8,310
Accrued salaries and benefits	13,013	485	13,498
Accrued compensated absences, current portion	3,717	766	4,483
Unearned revenues	6,169	3,337	9,506
Capital lease obligations, current portion	1,871	1,039	2,910
Long-term debt obligations, current portion	3,520	923	4,443
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	1,992	—	1,992
Other liabilities	1,743	111	1,854
Total current liabilities	<u>36,754</u>	<u>10,242</u>	<u>46,996</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	4,434	—	4,434
Unearned revenues	—	38,863	38,863
Grants refundable	152	—	152
Capital lease obligations, net of current portion	62,071	15,762	77,833
Long-term debt obligations, net of current portion	93,305	63,445	156,750
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	355,226	1,571	356,797
Net pension liability	254,408	—	254,408
Other liabilities	—	—	—
Total noncurrent liabilities	<u>769,596</u>	<u>119,641</u>	<u>889,237</u>
Total liabilities	<u>806,350</u>	<u>129,883</u>	<u>936,233</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>62,820</u>	<u>149</u>	<u>62,969</u>
Net Position			
Net position:			
Net investment in capital assets	148,123	1,692	149,815
Restricted for:			
Nonexpendable – endowments	—	22,598	22,598
Expendable:			
Scholarships and fellowships	—	2,438	2,438
Research	—	—	—
Loans	233	—	233
Capital projects	1,106	34	1,140
Debt service	733	—	733
Others	—	3,445	3,445
Unrestricted	(535,539)	25,850	(509,689)
Total net position	<u>\$ (385,344)</u>	<u>56,057</u>	<u>(329,287)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$63,460)	\$ 79,581	2,200	—	81,781
Grants and contracts, noncapital:				
Federal	—	13,548	—	13,548
State	—	2,078	—	2,078
Local	—	22	—	22
Nongovernmental	—	1,999	—	1,999
Sales and services of educational activities	159	2,881	—	3,040
Sales and services of auxiliary enterprises (net of scholarship allowances of \$-)	6,337	7,322	—	13,659
Other operating revenues	6,609	302	—	6,911
Total operating revenues	92,686	30,352	—	123,038
Expenses:				
Operating expenses:				
Instruction	119,346	5,798	—	125,144
Research	1,631	6,877	—	8,508
Public service	(36)	960	—	924
Academic support	37,868	1,506	—	39,374
Student services	40,231	5,449	(506)	45,174
Institutional support	37,962	1,449	(2,298)	37,113
Operation and maintenance of plant	26,594	—	—	26,594
Student grants and scholarships	34,454	2,708	(2,316)	34,846
Auxiliary enterprise expenses	2,877	7,857	—	10,734
Depreciation and amortization	14,819	1,841	—	16,660
Total operating expenses	315,746	34,445	(5,120)	345,071
Operating loss	(223,060)	(4,093)	5,120	(222,033)
Nonoperating revenues (expenses):				
State appropriations, noncapital	121,351	—	—	121,351
Federal financial aid grants, noncapital	35,053	—	—	35,053
State financial aid grants, noncapital	28,770	—	—	28,770
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	7,710	—	—	7,710
Gifts, noncapital	2,969	1,917	(2,955)	1,931
Investment income, net	3,224	2,510	—	5,734
Endowment income, net	—	258	—	258
Interest expense	(6,058)	(2,645)	—	(8,703)
Other nonoperating revenues	1,722	3	—	1,725
Net nonoperating income	194,741	2,043	(2,955)	193,829
Loss before other revenues	(28,319)	(2,050)	2,165	(28,204)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	7,624	—	(2,165)	5,459
Additions to permanent endowments	—	851	—	851
Decrease in net position	(20,695)	(1,199)	—	(21,894)
Net position:				
Net position at beginning of year	(364,649)	57,256	—	(307,393)
Net position at end of year	\$ (385,344)	56,057	—	(329,287)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 78,096
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(23,971)
Payments to employees	(121,684)
Payments for benefits	(61,809)
Payments to students	(34,530)
Collections of student loans	48
Sales and services of educational activities	159
Sales and services of auxiliary enterprises	7,288
Other payments	(3,102)
Net cash used in operating activities	<u>(159,505)</u>
Cash flows from noncapital financing activities:	
State appropriations	112,492
Federal financial aid grants	34,780
State financial aid grants	28,623
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	7,710
Gifts and grants received for other than capital purposes	2,969
Federal loan program receipts	51,318
Federal loan program disbursements	(51,310)
Monies received on behalf of others	2,227
Monies disbursed on behalf of others	(1,112)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	(865)
Interest paid on long-term debt	(810)
Issuance of notes receivable	—
Principal collections on capital leases	865
Interest collections on capital leases	—
Principal collections on notes receivable	28
Interest collections on notes receivable	—
Other noncapital financing activities	1,191
Net cash provided by noncapital financing activities	<u>188,106</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	32,152
State appropriations	390
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	—
Proceeds from sale of capital assets	19
Acquisition of capital assets	(17,797)
Transfers to escrow agent	(32,036)
Principal paid on capital debt and leases	(4,670)
Interest paid on capital debt and leases	(4,743)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(26,685)</u>

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 415,789
Purchases of investments	(421,577)
Investment income proceeds	2,722
Net cash used in investing activities	(3,066)
Net decrease in cash and cash equivalents	(1,150)
Cash and cash equivalents at beginning of year	1,158
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	\$ (223,060)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	14,819
Change in assets and liabilities:	
Accounts receivable, net	1,380
Student loans receivable, net	(28)
Pledges receivable, net	—
Prepaid expenses and other current assets	10,691
Other assets	—
Deferred outflows of resources	(1,056)
Accounts payable	(358)
Accrued salaries and benefits	(136)
Accrued compensated absences	1,282
Unearned revenues	(1,819)
Depository accounts	—
Total other postemployment benefits liability	39,377
Net pension liability	17,726
Other liabilities	(9,867)
Deferred inflows of resources	(8,456)
Net cash used in operating activities	<u>\$ (159,505)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 8,859
Acquisition of capital assets through capital lease	63,684
Other assets paid through long-term debt	—
Amortization of net bond premium	452
Contributed capital assets	7,624
Change in accrued capital asset purchases	304

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 974
Payments from discretely presented component units for other than salaries	6,440
Payments to discretely presented component units for services, space, and programs	7,074
Gifts in kind from discretely presented component units	20
Gifts (cash or assets) from discretely presented component units	4,380
Accounts receivable from discretely presented component units	1,362
Other amounts receivable from discretely presented component units	259
Accounts payable to discretely presented component units	(544)
Other amounts payable to discretely presented component units	(101,476)
Payments to the Office of the Chancellor for administrative activities	197
Payments to the Office of the Chancellor for state pro rata charges	151
Accounts receivable from the Office of the Chancellor	1
Accounts payable to the Office of the Chancellor	(2,473)
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	1,102
Other interagency payments (receipts) for services, space, and programs	(210)

See accompanying independent auditors' report.



23 CAMPUSES
and eight
off-campus centers

SONOMA STATE UNIVERSITY

Schedule 8

Statement of Net Position

June 30, 2020

(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ 48	2,904	2,952
Short-term investments	88,843	7,230	96,073
Accounts receivable, net	9,183	446	9,629
Capital lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,393	1,393
Prepaid expenses and other current assets	1,025	135	1,160
Total current assets	<u>99,099</u>	<u>12,108</u>	<u>111,207</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	3	3
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,019	—	1,019
Pledges receivable, net	—	650	650
Endowment investments	—	40,729	40,729
Other long-term investments	6,287	12,594	18,881
Capital assets, net	384,745	1,086	385,831
Other assets	—	1,024	1,024
Total noncurrent assets	<u>392,051</u>	<u>56,086</u>	<u>448,137</u>
Total assets	<u>491,150</u>	<u>68,194</u>	<u>559,344</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>80,248</u>	<u>—</u>	<u>80,248</u>
Liabilities			
Current liabilities:			
Accounts payable	4,778	3,168	7,946
Accrued salaries and benefits	9,269	7	9,276
Accrued compensated absences, current portion	3,272	13	3,285
Unearned revenues	6,679	175	6,854
Capital lease obligations, current portion	142	—	142
Long-term debt obligations, current portion	6,990	—	6,990
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,673	1,245	2,918
Total current liabilities	<u>32,803</u>	<u>4,608</u>	<u>37,411</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,929	22	3,951
Unearned revenues	22	—	22
Grants refundable	992	—	992
Capital lease obligations, net of current portion	102	—	102
Long-term debt obligations, net of current portion	207,699	—	207,699
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	18	—	18
Total other postemployment benefits liability	406,589	—	406,589
Net pension liability	210,578	—	210,578
Other liabilities	—	—	—
Total noncurrent liabilities	<u>829,929</u>	<u>22</u>	<u>829,951</u>
Total liabilities	<u>862,732</u>	<u>4,630</u>	<u>867,362</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>68,023</u>	<u>—</u>	<u>68,023</u>
Net Position			
Net position:			
Net investment in capital assets	174,705	1,086	175,791
Restricted for:			
Nonexpendable – endowments	—	41,676	41,676
Expendable:			
Scholarships and fellowships	1,460	780	2,240
Research	3	—	3
Loans	186	—	186
Capital projects	2,535	—	2,535
Debt service	8	—	8
Others	5,936	7,651	13,587
Unrestricted	(544,190)	12,371	(531,819)
Total net position	<u>\$ (359,357)</u>	<u>63,564</u>	<u>(295,793)</u>

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$26,208)	\$ 46,540	2,244	(88)	48,696
Grants and contracts, noncapital:				
Federal	8,113	49	—	8,162
State	1,045	250	—	1,295
Local	137	—	—	137
Nongovernmental	1,323	—	—	1,323
Sales and services of educational activities	220	6	—	226
Sales and services of auxiliary enterprises (net of scholarship allowances of \$3,360)	24,781	8,896	—	33,677
Other operating revenues	15,294	566	—	15,860
Total operating revenues	97,453	12,011	(88)	109,376
Expenses:				
Operating expenses:				
Instruction	79,072	—	—	79,072
Research	1,287	—	—	1,287
Public service	12,769	—	—	12,769
Academic support	30,219	—	—	30,219
Student services	33,968	2,333	(113)	36,188
Institutional support	25,794	244	—	26,038
Operation and maintenance of plant	16,427	—	—	16,427
Student grants and scholarships	14,918	—	—	14,918
Auxiliary enterprise expenses	26,996	11,478	—	38,474
Depreciation and amortization	19,157	89	—	19,246
Total operating expenses	260,607	14,144	(113)	274,638
Operating loss	(163,154)	(2,133)	25	(165,262)
Nonoperating revenues (expenses):				
State appropriations, noncapital	100,871	—	—	100,871
Federal financial aid grants, noncapital	14,542	—	—	14,542
State financial aid grants, noncapital	13,763	—	—	13,763
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	4,547	—	—	4,547
Gifts, noncapital	6,071	(1,830)	247	4,488
Investment income, net	2,332	91	—	2,423
Endowment income, net	—	1,870	—	1,870
Interest expense	(7,880)	—	—	(7,880)
Other nonoperating revenues (expenses)	18,346	(254)	—	18,092
Net nonoperating income (loss)	152,592	(123)	247	152,716
Loss before other revenues	(10,562)	(2,256)	272	(12,546)
State appropriations, capital	(593)	—	—	(593)
Grants and gifts, capital	1,206	—	(272)	934
Additions to permanent endowments	—	661	—	661
Decrease in net position	(9,949)	(1,595)	—	(11,544)
Net position:				
Net position at beginning of year	(349,408)	65,159	—	(284,249)
Net position at end of year	\$ (359,357)	63,564	—	(295,793)

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 41,157
Federal grants and contracts	8,320
State grants and contracts	1,122
Local grants and contracts	180
Nongovernmental grants and contracts	1,543
Payments to suppliers	(49,748)
Payments to employees	(92,488)
Payments for benefits	(49,870)
Payments to students	(14,882)
Collections of student loans	28
Sales and services of educational activities	176
Sales and services of auxiliary enterprises	21,925
Other receipts	13,238
Net cash used in operating activities	<u>(119,299)</u>
Cash flows from noncapital financing activities:	
State appropriations	90,514
Federal financial aid grants	14,542
State financial aid grants	13,763
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	4,547
Gifts and grants received for other than capital purposes	6,071
Federal loan program receipts	34,163
Federal loan program disbursements	(34,440)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(283)
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	17,904
Net cash provided by noncapital financing activities	<u>146,781</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	36,805
State appropriations	28
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	1,206
Proceeds from sale of capital assets	601
Acquisition of capital assets	(25,911)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(42,996)
Interest paid on capital debt and leases	(8,822)
Principal collection on capital leases	—
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(39,089)</u>

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 355,873
Purchases of investments	(346,376)
Investment income proceeds	2,096
Net cash provided by investing activities	<u>11,593</u>
Net decrease in cash and cash equivalents	(14)
Cash and cash equivalents at beginning of year	62
Cash and cash equivalents at end of year	<u>\$ 48</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 48
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ 48</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (163,154)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,157
Change in assets and liabilities:	
Accounts receivable, net	(4,159)
Student loans receivable, net	28
Pledges receivable, net	—
Prepaid expenses and other current assets	(47)
Other assets	—
Deferred outflows of resources	(9,008)
Accounts payable	(1,747)
Accrued salaries and benefits	(47)
Accrued compensated absences	967
Unearned revenues	(5,020)
Depository accounts	—
Total other postemployment benefits liability	42,172
Net pension liability	13,199
Other liabilities	92
Deferred inflows of resources	<u>(11,732)</u>
Net cash used in operating activities	<u>\$ (119,299)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 10,357
Acquisition of capital assets through capital lease	16
Other assets paid through long-term debt	—
Amortization of net bond premium	1,403
Contributed capital assets	—
Change in accrued capital asset purchases	—

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,545
Payments from discretely presented component units for other than salaries	2,200
Payments to discretely presented component units for services, space, and programs	12,022
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	4,070
Accounts receivable from discretely presented component units	3,161
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(333)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	392
Payments to the Office of the Chancellor for state pro rata charges	152
Accounts receivable from the Office of the Chancellor	2,165
Accounts payable to the Office of the Chancellor	(2)
Accounts receivable from campuses other than the Office of the Chancellor	14
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	902
Other interagency payments (receipts) for services, space, and programs	(421)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Schedule 8

Statement of Net Position
Year ended June 30, 2020
(In thousands)

Assets	Campus	Discretely presented component units	Total
Current assets:			
Cash and cash equivalents	\$ —	2,400	2,400
Short-term investments	96,779	1,645	98,424
Accounts receivable, net	3,651	2,437	6,088
Capital lease receivable, current portion	115	—	115
Notes receivable, current portion	—	—	—
Pledges receivable, net	—	1,242	1,242
Prepaid expenses and other current assets	908	11	919
Total current assets	<u>101,453</u>	<u>7,735</u>	<u>109,188</u>
Noncurrent assets:			
Restricted cash and cash equivalents	—	520	520
Accounts receivable, net	—	—	—
Capital lease receivable, net of current portion	3,475	—	3,475
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,057	—	1,057
Pledges receivable, net	—	2,642	2,642
Endowment investments	—	15,269	15,269
Other long-term investments	29,646	4,531	34,177
Capital assets, net	178,119	7,333	185,452
Other assets	180	508	688
Total noncurrent assets	<u>212,477</u>	<u>30,803</u>	<u>243,280</u>
Total assets	<u>313,930</u>	<u>38,538</u>	<u>352,468</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>72,276</u>	<u>—</u>	<u>72,276</u>
Liabilities			
Current liabilities:			
Accounts payable	4,327	1,899	6,226
Accrued salaries and benefits	11,564	35	11,599
Accrued compensated absences, current portion	2,271	55	2,326
Unearned revenues	5,517	538	6,055
Capital lease obligations, current portion	75	115	190
Long-term debt obligations, current portion	1,730	295	2,025
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	552	64	616
Other liabilities	1,309	41	1,350
Total current liabilities	<u>27,345</u>	<u>3,042</u>	<u>30,387</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	3,847	—	3,847
Unearned revenues	—	—	—
Grants refundable	564	—	564
Capital lease obligations, net of current portion	142	3,475	3,617
Long-term debt obligations, net of current portion	80,405	722	81,127
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Total other postemployment benefits liability	319,308	1,704	321,012
Net pension liability	180,590	1,697	182,287
Other liabilities	—	—	—
Total noncurrent liabilities	<u>584,856</u>	<u>7,598</u>	<u>592,454</u>
Total liabilities	<u>612,201</u>	<u>10,640</u>	<u>622,841</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>53,904</u>	<u>—</u>	<u>53,904</u>
Net Position			
Net position:			
Net investment in capital assets	109,032	2,727	111,759
Restricted for:			
Nonexpendable – endowments	—	13,847	13,847
Expendable:			
Scholarships and fellowships	—	2,066	2,066
Research	—	—	—
Loans	659	—	659
Capital projects	—	—	—
Debt service	57	—	57
Others	186	5,422	5,608
Unrestricted	(389,833)	3,836	(385,997)
Total net position	<u>\$ (279,899)</u>	<u>27,898</u>	<u>(252,001)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2020

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues:				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of \$54,475)	\$ 38,415	2,986	(1,431)	39,970
Grants and contracts, noncapital:				
Federal	5,664	—	—	5,664
State	411	—	—	411
Local	457	—	—	457
Nongovernmental	898	—	—	898
Sales and services of educational activities	214	135	—	349
Sales and services of auxiliary enterprises (net of scholarship allowances of \$1,702)	4,450	1,107	—	5,557
Other operating revenues	3,414	414	(381)	3,447
Total operating revenues	<u>53,923</u>	<u>4,642</u>	<u>(1,812)</u>	<u>56,753</u>
Expenses:				
Operating expenses:				
Instruction	95,891	481	(9)	96,363
Research	1,143	—	—	1,143
Public service	432	—	—	432
Academic support	24,743	35	(15)	24,763
Student services	27,235	2,427	(385)	29,277
Institutional support	30,600	1,309	(300)	31,609
Operation and maintenance of plant	21,389	188	(8)	21,569
Student grants and scholarships	33,568	779	(779)	33,568
Auxiliary enterprise expenses	7,669	861	(1,431)	7,099
Depreciation and amortization	8,062	364	—	8,426
Total operating expenses	<u>250,732</u>	<u>6,444</u>	<u>(2,927)</u>	<u>254,249</u>
Operating loss	<u>(196,809)</u>	<u>(1,802)</u>	<u>1,115</u>	<u>(197,496)</u>
Nonoperating revenues (expenses):				
State appropriations, noncapital	118,687	—	—	118,687
Federal financial aid grants, noncapital	31,667	—	—	31,667
State financial aid grants, noncapital	26,731	—	—	26,731
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	782	—	(779)	3
Other federal nonoperating grants, noncapital	6,404	—	—	6,404
Gifts, noncapital	49	1,888	(19)	1,918
Investment income, net	2,515	323	—	2,838
Endowment income, net	—	218	—	218
Interest expense	(1,006)	(173)	—	(1,179)
Other nonoperating revenues	19,326	639	(317)	19,648
Net nonoperating income	<u>205,155</u>	<u>2,895</u>	<u>(1,115)</u>	<u>206,935</u>
Income before other revenues	8,346	1,093	—	9,439
State appropriations, capital	—	—	—	—
Grants and gifts, capital	83	—	—	83
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	<u>8,429</u>	<u>1,093</u>	<u>—</u>	<u>9,522</u>
Net position:				
Net position at beginning of year	<u>(288,328)</u>	<u>26,805</u>	<u>—</u>	<u>(261,523)</u>
Net position at end of year	<u>\$ (279,899)</u>	<u>27,898</u>	<u>—</u>	<u>(252,001)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 34,450
Federal grants and contracts	6,100
State grants and contracts	423
Local grants and contracts	531
Nongovernmental grants and contracts	987
Payments to suppliers	(32,869)
Payments to employees	(89,977)
Payments for benefits	(44,153)
Payments to students	(33,831)
Collections of student loans	15
Sales and services of educational activities	214
Sales and services of auxiliary enterprises	3,455
Other receipts	3,213
Net cash used in operating activities	<u>(151,442)</u>
Cash flows from noncapital financing activities:	
State appropriations	109,688
Federal financial aid grants	31,667
State financial aid grants	26,731
Nongovernmental and other financial aid grants	782
Other federal nonoperating grants	6,404
Gifts and grants received for other than capital purposes	49
Federal loan program receipts	28,844
Federal loan program disbursements	(29,015)
Monies received on behalf of others	13,502
Monies disbursed on behalf of others	(13,421)
Transfers to escrow agent	—
Proceeds from long-term debt	—
Principal paid on long-term debt	—
Interest paid on long-term debt	(32)
Issuance of notes receivable	—
Principal collections on capital leases	—
Interest collections on capital leases	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	18,940
Net cash provided by noncapital financing activities	<u>194,139</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	—
State appropriations	—
State appropriations – SPWB Lease Revenue Bond program	—
Capital grants and gifts	83
Proceeds from sale of capital assets	—
Acquisition of capital assets	(42,983)
Transfers to escrow agent	—
Principal paid on capital debt and leases	(1,088)
Interest paid on capital debt and leases	(1,380)
Principal collection on capital leases	110
Interest collection on capital leases	—
Net cash used in capital and related financing activities	<u>(45,258)</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Cash flows from investing activities:	
Proceeds from sales of investments	\$ 301,207
Purchases of investments	(300,548)
Investment income proceeds	1,902
Net cash provided by investing activities	<u>2,561</u>
Net increase (decrease) in cash and cash equivalents	<u>—</u>
Cash and cash equivalents at beginning of year	—
Cash and cash equivalents at end of year	<u>\$ —</u>
Summary of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ —
Restricted cash and cash equivalents	—
Total cash and cash equivalents at end of year	<u>\$ —</u>
Reconciliation of operating loss to other receipts:	
Operating loss	\$ (196,809)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	8,062
Change in assets and liabilities:	
Accounts receivable, net	1,029
Student loans receivable, net	(197)
Pledges receivable, net	—
Prepaid expenses and other current assets	(14)
Other assets	15
Deferred outflows of resources	(5,847)
Accounts payable	267
Accrued salaries and benefits	966
Accrued compensated absences	787
Unearned revenues	(4,451)
Depository accounts	—
Total other postemployment benefits liability	39,546
Net pension liability	13,706
Other liabilities	(598)
Deferred inflows of resources	<u>(7,904)</u>
Net cash used in operating activities	<u>\$ (151,442)</u>
Supplemental schedule of noncash transactions:	
State's contribution for OPEB	\$ 8,999
Acquisition of capital assets through capital lease	—
Other assets paid through long-term debt	—
Amortization of net bond premium	512
Contributed capital assets	—
Change in accrued capital asset purchases	1,083

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Transactions with Related Entities

Year ended June 30, 2020

(In thousands)

	<u>Campus</u>
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 472
Payments from discretely presented component units for other than salaries	2,065
Payments to discretely presented component units for services, space, and programs	3,218
Gifts in kind from discretely presented component units	16
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	601
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,131)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	144
Payments to the Office of the Chancellor for state pro rata charges	56
Accounts receivable from the Office of the Chancellor	283
Accounts payable to the Office of the Chancellor	(7)
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(48)
State lottery allocation received	944
Other interagency payments (receipts) for services, space, and programs	(11)

See accompanying independent auditors' report.



CSU The California State University

401 Golden Shore, Long Beach, CA 90802

www.calstate.edu