LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER

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

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

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

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

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

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

Steve Relyea
Executive Vice Chancellor, CFO
The California State University
## CALIFORNIA STATE UNIVERSITY

### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditors’ Report</td>
<td>1–2</td>
</tr>
<tr>
<td>Management’s Discussion and Analysis (Unaudited)</td>
<td>3–17</td>
</tr>
<tr>
<td>Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Statement of Net Position</td>
<td>18</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses, and Changes in Net Position</td>
<td>19</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>20–21</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>22–52</td>
</tr>
<tr>
<td>Supplementary Schedules – Campus Financial Information</td>
<td>53–167</td>
</tr>
</tbody>
</table>
Independent Auditors’ Report

The Board of Trustees
California State University:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the California State University (the University), an agency of the State of California (the State), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of 90 of the 92 aggregate discretely presented component units, which statements reflect total assets constituting 91.2% and total revenues constituting 94.2% of the aggregate discretely presented totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the 90 discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the California State University, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management’s discussion and analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2014 on our consideration of the University’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University’s internal control over financial reporting and compliance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 53 to 167 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all materials respects, in relation to the financial statements as a whole.

KPMG LLP

October 15, 2014
The following discussion and analysis provides an overview of the financial position and performance of the California State University as of and for the year ended June 30, 2014, including 23 campuses and the Office of the Chancellor (together referred to as the University), and 92 discretely presented component units (primarily recognized auxiliary organizations). The discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes, which follow this section. Separate financial statements are issued for each of the discretely presented component units and may be obtained from the individual campuses.

The financial statements of the University as of and for the year ended June 30, 2014 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments, as amended by GASB Statement No. 35, Basic Financial Statements — and Management’s Discussion and Analysis — for Public Colleges and Universities. For reporting purposes, the University is considered a special-purpose government engaged in business-type activities.

Financial Statements

This discussion and analysis is intended to serve as an introduction to the University’s financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements are designed to provide readers with a broad overview of the University’s finances from all sources of revenue, in a manner similar to the private sector. The University’s discretely presented component units are presented in a separate column to enable the reader to distinguish between the University and these separate but related not-for-profit organizations.

The Statement of Net Position is the University’s balance sheet. It presents information on all of the University’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these four are reported as net position (equity). Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally reported at their book value, except investments, which are reported at their fair market value. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the University.

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

- Net investment in capital assets
- Restricted
- Unrestricted

Changes from one year to the next in total net position as presented on the Statement of Net Position are based on the activity presented on the Statement of Revenues, Expenses, and Changes in Net Position.

The Statement of Revenues, Expenses, and Changes in Net Position is the University’s income statement. Revenues earned and expenses incurred during the year on an accrual basis are classified as either operating or nonoperating. This distinction results in operating deficits, as the GASB Statement No. 35 reporting model
requires classification of state appropriations, a significant revenue stream to fund current operations, as nonoperating revenue.

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

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

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

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

Financial Highlights

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

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

**Enrollment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-Time Equivalent Students</th>
<th>Total Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>440,819</td>
<td>354,812</td>
</tr>
<tr>
<td>2011</td>
<td>409,526</td>
<td>341,728</td>
</tr>
<tr>
<td>2012</td>
<td>422,063</td>
<td>355,609</td>
</tr>
<tr>
<td>2013</td>
<td>426,212</td>
<td>358,794</td>
</tr>
<tr>
<td>2014</td>
<td>438,157</td>
<td>370,585</td>
</tr>
</tbody>
</table>

**Financial Analysis**

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

I. Condensed Schedules of Net Position

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

<table>
<thead>
<tr>
<th></th>
<th>University 2014</th>
<th>University 2013</th>
<th>Discretely Presented Component Units 2014</th>
<th>Discretely Presented Component Units 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$3,125,495</td>
<td>2,862,724</td>
<td>1,227,635</td>
<td>1,065,568</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>7,820,312</td>
<td>7,689,116</td>
<td>811,405</td>
<td>796,835</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>1,435,131</td>
<td>1,568,821</td>
<td>2,077,887</td>
<td>1,869,282</td>
</tr>
<tr>
<td>Total assets</td>
<td>12,380,938</td>
<td>12,120,661</td>
<td>4,116,927</td>
<td>3,731,685</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>45,426</td>
<td>32,020</td>
<td>5,204</td>
<td>5,071</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,294,577</td>
<td>1,073,707</td>
<td>479,949</td>
<td>352,489</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>5,388,743</td>
<td>5,395,972</td>
<td>1,019,365</td>
<td>1,059,656</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>6,683,320</td>
<td>6,469,679</td>
<td>1,499,314</td>
<td>1,412,145</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>1,986,798</td>
<td>1,881,799</td>
<td>608,481</td>
<td>532,487</td>
</tr>
<tr>
<td>Net position</td>
<td>$5,743,044</td>
<td>5,683,002</td>
<td>2,621,256</td>
<td>2,322,130</td>
</tr>
</tbody>
</table>

Current and Other Noncurrent Assets

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

The total current and other noncurrent assets of $4.56 billion for the University represents an increase of $129.1 million compared to $4.43 billion in fiscal year 2013. Investments represent 70.4% of the total current and other noncurrent assets. The University invests its funds mainly through the California State University (CSU) Consolidated Investment Pool whose objective is to maximize current income while preserving and prioritizing asset safety and liquidity. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed by the State Treasurer to invest funds in a short-term pool. The total investment increased by $168.3 million due to an overall increase in operating resources provided by the State of California (the State) through noncapital appropriation as previously discussed.

The other major factors contributing to the increase in current and other noncurrent assets include the $23.0 million increase in notes receivable. Majority of the net increase in notes receivable are the proceeds from
the issuance of new Bond Anticipation Notes (BAN) loaned to certain discretely presented component units amounting to $46.7 million and collection of $22.0 million during the year. The other assets increased by $18.2 million mainly due to the new construction reserve funds held by the State Public Works Board (SPWB) in connection with the new capital leases under the SPWB Lease Revenue Bonds Program. These increases were offset by the $70.6 million decrease in accounts receivable, which is mainly due to collection of funds from the State utilized for operations and capital related projects including those under the SPWB Lease Revenue Bonds Program. These are offset by the net decrease of $9.8 million in other items.

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

**Capital Assets, Net**

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

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

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

- Completion of the $119.0 million San Luis Obispo Center for Science
- Completion of the $102.4 million San Diego Aztec Center Student Union
- Completion of the $62.3 million Sonoma Student Center
Construction in progress on the $89.0 million San Jose Student Union Expansion and Renovation
Construction in progress on the $63.1 million San Diego Storm/Nasatir Halls Renovation
Construction in progress on the $63.8 million San Jose Spartan Complex Renovation
Construction in progress on the $56.6 million Pomona Recreation Center

Deferred Outflows of Resources
Deferred outflows of resources are consumption of net assets that is applicable to a future reporting period, which has a positive effect on the net position. The University’s deferred outflows of resources consist of unamortized loss on debt refunding in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective as of June 30, 2013. The unamortized loss on debt refunding increased by $13.4 million from $32.0 million in fiscal year 2013 to $45.4 million in fiscal year 2014, mainly due to the partial refunding of Systemwide Revenue Bonds Series 2005A and 2005C through the issuance of Series 2013A in July 2013 amounting to $18.3 million offset by the current year amortization.

Current and Noncurrent Liabilities
Current liabilities (liabilities due within one year) and noncurrent liabilities (liabilities due in more than one year) include accounts payable, accrued salaries and benefits, accrued compensated absences, unearned revenues, grants refundable, capitalized lease obligations, long-term debt obligations, claims liability for losses and loss adjustment expenses, depository accounts, other postemployment benefit obligations, and other liabilities.

Current and noncurrent liabilities of $6.68 billion for the University represent an increase of $213.6 million compared to $6.47 billion in fiscal year 2013. This is mainly due to the $104.6 million increase in capitalized lease obligation related to the SPWB and $58.4 million increase in long-term debt from issuance of BANs. Other major factors include the $48.0 million increase in other postemployment benefits obligations allocated from the State, $31.3 million combined increase in accrued salaries and benefits and accrued compensated balance due to increase in salary and benefit rates, $11.9 million in unearned revenues due to the increase in student enrollment, offset by $40.6 million decrease mainly in other liabilities for future obligations related to SPWB.

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

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

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

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

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

In addition, the State General Obligation Bond program has provided capital funding for various projects of the University. The debt related to these projects is not allocated to the University by the State and thus is not recorded in the University’s financial statements. The total General Obligation Bond debt carried by the State related to University projects at June 30, 2014 and 2013 is approximately $2.6 billion.

No fundamental changes occurred in the revenues and expenditures of the revenue bond programs during fiscal year 2014. Repayment of specific programmatic revenue bonds is legally limited to the sources of revenue from operations of the projects including specific mandatory fees pledged to the revenue bond programs. For the Systemwide Revenue Bonds, revenues pledged generally include student housing fees, parking fees, student union fees, health center facilities fees, and continuing education fees, as well as other revenues designated by the Trustees for inclusion in the Systemwide Revenue Bonds program.

some providers of insurance for Systemwide Revenue Bonds have been downgraded to ratings below Aaa/AAA. Those bonds that are uninsured bear the intrinsic ratings of the Systemwide Revenue Bonds, which are Aa2 from the Moody’s Investors Service and AA- from the Standard & Poor’s Ratings Services.

Net Position

As noted earlier, net position may serve over time as a useful indicator of the University’s financial position. As of June 30, 2014, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $5.74 billion for the University, an increase of $60.0 million from prior year.

### University Net Position

**June 30, 2014**

- **Net investment in capital assets**: 63%
- **Restricted nonexpendable**: 35%
- **Restricted expendable**: 2%
- **Unrestricted**: < 1%

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

**Net investment in capital assets**

The net position category “Net investment in capital assets” represents the University’s capital assets, net of accumulated depreciation, and also net of outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources. The University uses these capital assets in its day-to-day operations. This category is the largest portion of the University’s net position year-over-year. The net investment in capital assets decreased by $67.5 million as a result of depreciation of capital assets at a faster rate than repayment of the long-term debt.
CALIFORNIA STATE UNIVERSITY
Management’s Discussion and Analysis
June 30, 2014
(Unaudited)

Restricted

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

i. Restricted nonexpendable

The restricted nonexpendable net position is made up of the permanent endowment funds, the corpus of which may not be expendable. Generally speaking, the University’s foundations, which are discretely presented component units, hold the significant majority of the University-related endowments. In the current year, there was no significant change in the University’s restricted nonexpendable net position.

ii. Restricted expendable

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

Unrestricted

The unrestricted net position represents all other net resources available to the University for general and educational obligations. Under U.S. generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net position is not subject to externally imposed restrictions per accounting definitions, the predominant portions of the unrestricted net position are designated for specific programs or projects related to certain revenue sources, as further explained in the following paragraphs. The unrestricted net position for the University increased by $105.0 million to $1.99 billion as of June 30, 2014, which consists of $1.30 billion designated resources from various funds and $691.0 million undesignated resources mainly from the operating fund. The undesignated resources provide a prudent reserve for contingencies, such as the uncertain direction of future state appropriations, as well as the effects of an uncertain economic environment.

Within the unrestricted net position category, the designated resources are derived from fee collections and other activities that are designated for very specific purposes and are not to be repurposed and spent for other activities. For example, students pay fees including Housing and Parking fees, campus activities fees, all of which are to be used for specific designated purposes as described in the Education Code. The University also has certain designated resources that represent amounts pledged to support the Systemwide Revenue Bonds program.

Of the $1.30 billion in designated unrestricted net position, approximately 62.7% was designated for supporting enterprise activities (i.e., Continuing Education, Housing, Parking, and Student Union), 12.3% was designated for campus-based projects or programs, and 10.6% was designated for special capital projects. The remaining 14.4% was designated for supporting activities related to education, financial aid, and other programs.
II. Condensed Schedules of Revenues, Expenses, and Changes in Net Position

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

(In thousands)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, capital</td>
<td>$1,896</td>
<td>16,983</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>45,728</td>
<td>40,832</td>
</tr>
<tr>
<td>Additions (reductions) to permanent endowments</td>
<td>(1,883)</td>
<td>(576)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>60,042</td>
<td>(77,417)</td>
</tr>
<tr>
<td>Net position – beginning of year, as previously reported</td>
<td>5,683,002</td>
<td>5,818,777</td>
</tr>
<tr>
<td>Restatements</td>
<td>(58,358)</td>
<td>(6,202)</td>
</tr>
<tr>
<td>Net position – beginning of year, as restated</td>
<td>5,683,002</td>
<td>5,760,419</td>
</tr>
<tr>
<td>Net position – end of year</td>
<td>$5,743,044</td>
<td>5,683,002</td>
</tr>
</tbody>
</table>

Revenues (Operating and Nonoperating)
The following chart displays the components of the University’s revenues for fiscal years 2014 and 2013:
The two largest components of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 65.5% of the University’s revenues in fiscal year 2014. State appropriations are received for both noncapital and capital purposes. Noncapital appropriations increased by $277.3 million, or 13.4%, from $2.07 billion to $2.35 billion in the current year. Capital appropriations decreased by $15.1 million, or 88.8%, from $17.0 million to $1.9 million in the current year. The student tuition and fees net of scholarship and allowances, increased by $42.0 million, or 2.0%, mainly due to increase in overall student enrollment.

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

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

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

The University’s investment portfolio consists primarily of investments held in the State of California SMIF and the CSU Consolidated Investment Pool. The University’s strategy is to continue in investing in securities with low interest rates and short maturities.
Operating Expenses

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

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

![Pie chart showing the percentage of operating expenses]
Total operating expenses for the University increased by $326.1 million in the current year. The increase was a result of primarily the increase in employees’ salaries, employees’ and retirees’ benefit costs, and insurance premiums resulting in an increase of $116.9 million in instruction expenses, $30.9 million in academic support, $44.3 million in student services, and $45.6 million in institutional support. Other factors included increases in auxiliary enterprise expenses due to housing and parking lot improvements of $26.1 million, student grants and scholarships of $30.9 million, maintenance and repair expenses of $51.7 million, $11.7 million decrease in depreciation and amortization, and $8.6 million net decrease in other items. These increases were offset by overall cost reductions measures in various functional categories. The chart below displays the University’s operating expenses by program for fiscal years 2014 and 2013:

**University Operating Expenses by Program**

**Factors Impacting Future Periods**

**State Budget Act for Fiscal Year 2015**

The State Budget Act for fiscal year 2015, approved by the Governor on June 20, 2014, resulted in noncapital state appropriation of $2.7 billion, which represents an increase of $350.0 million over the fiscal year 2014 enacted budget. This increase consists of $197 million to pay the cost of General Obligation bond debt service attributable to the University’s capital projects, another $142.7 million increase in general noncapital operating budget support, and $10 million for increased new SPWB capitalized lease bond payments and other items. The University also projects student tuition and fee revenues to increase by $41.6 million in fiscal year 2015 primarily due to student enrollment growth.
In June 2014, the State enacted legislation that granted additional capital financing authorities to the University. These new authorities include the ability to pledge the University’s annual general fund support appropriation, less the amount of that appropriation required to meet State general obligation bond payments and SPWB capitalized lease payments, to secure the payment of debt obligations issued by the University pursuant to the State University Revenue Bond Act of 1947 (Act). No more than 12 percent of the University’s annual general fund support appropriation, less the amount of that appropriation that is required to fund State General Obligation bond payments and SPWB capitalized lease payments, may be used for debt service for, or to directly fund, certain capital expenditures. These new authorities also allow the University to pledge any other revenues that the University chooses to pledge to secure the payment of debt obligations issued by the University pursuant to the Act and provide flexibility to utilize these new authorities through the Systemwide Revenue Bond program. The University is still evaluating the new authorities and has taken no action to utilize them.

**New Accounting Pronouncements**

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

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

### Statement of Net Position

**June 30, 2014**

<table>
<thead>
<tr>
<th>Assets</th>
<th>University</th>
<th>Discretely presented component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 4,074,000</td>
<td>228,831,000</td>
<td>232,905,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>2,855,578,000</td>
<td>576,288,000</td>
<td>3,431,866,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>144,726,000</td>
<td>336,804,000</td>
<td>481,530,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>11,442,000</td>
<td>2,559,000</td>
<td>14,001,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>51,319,000</td>
<td>3,225,000</td>
<td>54,544,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>240,000</td>
<td>48,009,000</td>
<td>48,249,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>58,116,000</td>
<td>31,919,000</td>
<td>90,035,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,125,495,000</td>
<td>1,227,635,000</td>
<td>4,353,130,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>90,000</td>
<td>26,725,000</td>
<td>26,815,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>298,608,000</td>
<td>41,382,000</td>
<td>339,990,000</td>
</tr>
<tr>
<td>Leases receivable, net</td>
<td>358,915,000</td>
<td>67,946,000</td>
<td>426,861,000</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>249,367,000</td>
<td>24,985,000</td>
<td>274,352,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>88,251,000</td>
<td>1,229,000</td>
<td>89,480,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>960,000</td>
<td>101,701,000</td>
<td>102,661,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>16,218,000</td>
<td>1,273,389,000</td>
<td>1,289,607,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>340,935,000</td>
<td>498,285,000</td>
<td>839,220,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>7,820,312,000</td>
<td>811,405,000</td>
<td>8,631,717,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>81,787,000</td>
<td>42,245,000</td>
<td>124,032,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>9,255,443,000</td>
<td>2,889,292,000</td>
<td>12,144,735,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>12,380,938,000</td>
<td>4,116,927,000</td>
<td>16,497,865,000</td>
</tr>
</tbody>
</table>

| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 195,073,000 | 81,173,000 | 276,246,000 |
| Accrued salaries and benefits | 297,794,000 | 23,532,000 | 321,326,000 |
| Accrued compensated absences, current portion | 119,690,000 | 14,074,000 | 133,764,000 |
| Unearned revenue | 256,641,000 | 62,110,000 | 318,751,000 |
| Capitalized lease obligations, current portion | 70,042,000 | 15,906,000 | 85,948,000 |
| Long-term debt obligations, current portion | 260,601,000 | 172,542,000 | 433,143,000 |
| Claims liability for losses and loss adjustment expenses, current portion | — | 32,971,000 | 32,971,000 |
| Depository accounts, current portion | 7,264,000 | 12,866,000 | 20,130,000 |
| Other liabilities | 87,472,000 | 64,775,000 | 152,247,000 |
| **Total current liabilities** | 1,294,577,000 | 411,927,000 | 1,706,504,000 |
| Noncurrent liabilities: | | | |
| Accrued compensated absences, net of current portion | 98,553,000 | 3,471,000 | 102,024,000 |
| Unearned revenue | 11,460,000 | 13,051,000 | 24,511,000 |
| Grants refundable | 93,504,000 | 5,883,000 | 99,387,000 |
| Capitalized lease obligations, net of current portion | 1,180,232,000 | 360,020,000 | 1,540,252,000 |
| Long-term debt obligations, net of current portion | 3,643,924,000 | 400,151,000 | 4,044,075,000 |
| Claims liability for losses and loss adjustment expenses, net of current portion | — | 67,395,000 | 67,395,000 |
| Depository accounts | 2,125,000 | 96,293,000 | 363,306,000 |
| Other postemployment benefits obligation | 267,013,000 | 96,293,000 | 363,306,000 |
| Other liabilities | 91,932,000 | 58,873,000 | 150,805,000 |
| **Total noncurrent liabilities** | 5,388,734,000 | 1,019,365,000 | 6,408,100,000 |
| **Total liabilities** | 6,683,320,000 | 1,499,314,000 | 8,182,634,000 |

| Deferred Inflows of Resources | | | |
| Deferred inflows of resources | — | 1,561,000 | 1,561,000 |

| Net Position | | | |
| Net position: | | | |
| Net investment in capital assets | 3,625,543,000 | 181,825,000 | 3,807,368,000 |
| **Restricted for:** | | | |
| Nonexpendable – endowments | 16,218,000 | 924,853,000 | 941,071,000 |
| **Expendable:** | | | |
| Scholarships and fellowships | 14,671,000 | 248,176,000 | 262,847,000 |
| Research | 35,000 | 31,388,000 | 31,423,000 |
| Loans | 14,310,000 | 1,945,000 | 16,255,000 |
| Capital projects | 64,778,000 | 40,150,000 | 104,928,000 |
| Debt service | 139,000 | 9,987,000 | 10,126,000 |
| Other | 20,552,000 | 574,453,000 | 595,005,000 |
| **Unrestricted** | 1,986,798,000 | 608,481,000 | 2,595,279,000 |
| **Total net position** | $ 5,743,044,000 | 2,621,256,000 | 8,364,300,000 |

See accompanying notes to financial statements.
## CALIFORNIA STATE UNIVERSITY

**Statement of Revenues, Expenses, and Changes in Net Position**

**Year ended June 30, 2014**

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

See accompanying notes to financial statements.
CALIFORNIA STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>University</th>
<th>$</th>
</tr>
</thead>
</table>

Cash flows from operating activities:
- Student tuition and fees $ 2,125,685,000
- Federal grants and contracts 45,937,000
- State grants and contracts 21,364,000
- Local grants and contracts 7,138,000
- Nongovernmental grants and contracts 10,196,000
- Payments to suppliers (1,204,403,000)
- Payments to employees (3,951,506,000)
- Payments to students (863,098,000)
- Collections of student loans (863,098,000)
- Sales and services of educational activities 39,970,000
- Sales and services of auxiliary enterprises 417,656,000
- Other receipts 178,298,000

Net cash used in operating activities (3,168,957,000)

Cash flows from noncapital financing activities:
- State appropriations 2,345,696,000
- Federal financial aid grants 887,986,000
- State financial aid grants 521,801,000
- Nongovernmental and other financial aid grants 34,791,000
- Other federal nonoperating grants 4,108,000
- Gifts and grants received for other than capital purposes 36,976,000
- Federal loan program receipts 1,300,769,000
- Federal loan program disbursements (1,301,982,000)
- Monies received on behalf of others 112,854,000
- Monies disbursed on behalf of others (118,561,000)
- Other noncapital financing activities 75,568,000

Net cash provided by noncapital financing activities 3,900,006,000

Cash flows from capital and related financing activities:
- Proceeds from capital debt 464,372,000
- State appropriations 36,488,000
- State appropriations – SPWB Lease Revenue Bonds Program 104,566,000
- Capital grants and gifts 24,393,000
- Proceeds from sale of capital assets 164,000
- Acquisition of capital assets (526,947,000)
- Issuance of notes receivable (6,284,000)
- Transfers to escrow agent (349,703,000)
- Principal paid on capital debt and leases (171,309,000)
- Interest paid on capital debt and leases (216,097,000)
- Principal collection on capital leases 12,150,000
- Interest collection on capital leases 17,595,000
- Principal collection on notes receivable 6,190,000
- Interest collection on notes receivable 11,543,000

Net cash used in capital and related financing activities (592,879,000)

(Continued)
CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 7,580,114,000</td>
</tr>
<tr>
<td>(7,743,216,000)</td>
</tr>
<tr>
<td>20,721,000</td>
</tr>
<tr>
<td>(142,381,000)</td>
</tr>
<tr>
<td>(4,211,000)</td>
</tr>
<tr>
<td>8,375,000</td>
</tr>
<tr>
<td>$ 4,164,000</td>
</tr>
<tr>
<td>$ 4,074,000</td>
</tr>
<tr>
<td>90,000</td>
</tr>
<tr>
<td>$ 4,164,000</td>
</tr>
<tr>
<td>$ (3,700,767,000)</td>
</tr>
<tr>
<td>423,797,000</td>
</tr>
<tr>
<td>11,217,000</td>
</tr>
<tr>
<td>4,825,000</td>
</tr>
<tr>
<td>(1,374,000)</td>
</tr>
<tr>
<td>(692,000)</td>
</tr>
<tr>
<td>(3,511,000)</td>
</tr>
<tr>
<td>(4,946,000)</td>
</tr>
<tr>
<td>18,838,000</td>
</tr>
<tr>
<td>10,425,000</td>
</tr>
<tr>
<td>15,728,000</td>
</tr>
<tr>
<td>196,000</td>
</tr>
<tr>
<td>47,995,000</td>
</tr>
<tr>
<td>9,312,000</td>
</tr>
<tr>
<td>$ (3,168,957,000)</td>
</tr>
<tr>
<td>$ 174,857,000</td>
</tr>
<tr>
<td>20,588,000</td>
</tr>
<tr>
<td>6,572,000</td>
</tr>
<tr>
<td>8,914,000</td>
</tr>
<tr>
<td>16,090,000</td>
</tr>
<tr>
<td>2,485,000</td>
</tr>
<tr>
<td>1,140,000</td>
</tr>
<tr>
<td>1,020,000</td>
</tr>
<tr>
<td>16,468,000</td>
</tr>
<tr>
<td>19,213,000</td>
</tr>
<tr>
<td>4,825,000</td>
</tr>
<tr>
<td>40,464,000</td>
</tr>
<tr>
<td>11,685,000</td>
</tr>
<tr>
<td>40,464,000</td>
</tr>
<tr>
<td>11,685,000</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
(1) **Organization**

California State University (the University) was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals emphasizing a broad liberal arts education. As an agency of the State of California (the State), the University is also included in the State’s financial statements. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the Chancellor, the chief executive officer of the University, and the University Presidents, the chief executive officers of the respective campuses. In addition to the Office of the Chancellor, the following 23 campuses comprise the California State University at June 30, 2014:

- California State University, Bakersfield
- California State University, Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University, San Luis Obispo
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus
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 addition, the accompanying financial statements include the accounts of the 92 discretely presented component units, which are primarily University-related recognized auxiliary organizations. There are four discretely presented component units that are not auxiliary organizations (identified by asterisk (*) below). These discretely presented component units are legally separate entities that provide services primarily to the University and its students. Such organizations include foundations, associated students, student unions, food service entities, bookstores, and similar organizations. Foundations, whose net position comprises approximately 79.0% of the discretely presented component unit totals, carry out a variety of campus-related activities. Such activities consist primarily of administering grants from governmental and private agencies for research, as well as soliciting and accepting donations, gifts, and bequests for University-related use. Separate financial statements are issued for each of the discretely presented component units and may be obtained from the individual campuses.

The recognized discretely presented component units are as follows:

- California State University, Bakersfield, Foundation
- Associated Students, California State University, Bakersfield, Inc.
- California State University, Bakersfield Student Union
- California State University, Bakersfield, Auxiliary for Sponsored Programs Administration
- California State University Institute
- California State University Foundation
- California State University Risk Management Authority*
- California State University, Channel Islands Foundation
- Associated Students of California State University, Channel Islands, Inc.
- California State University Channel Islands Financing Authority*
• California State University Channel Islands Site Authority*
• California State University Channel Islands University Glen Corporation
• The CSU, Chico Research Foundation
• The University Foundation, California State University, Chico
• Associated Students of California State University, Chico
• California State University Dominguez Hills Foundation
• Associated Students, Inc., California State University, Dominguez Hills
• The Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills
• California State University, East Bay Foundation, Inc.
• Associated Students, Inc. of California State University, East Bay
• Cal State East Bay Educational Foundation, Inc.
• California State University, Fresno Foundation
• Associated Students, Inc. of California State University, Fresno
• California State University, Fresno Association, Inc.
• The Agricultural Foundation of California State University, Fresno
• California State University, Fresno Athletic Corporation
• The Bulldog Foundation (Fresno)*
• Fresno State Programs for Children, Inc.
• Cal State Fullerton Philanthropic Foundation
• Associated Students, California State University, Fullerton, Inc.
• Titan Student Centers Associated Students California State University, Fullerton, Inc.
• CSU Fullerton Housing Authority
• CSU Fullerton Auxiliary Services Corporation
• Humboldt State University Sponsored Programs Foundation
• Associated Students of Humboldt State University
• Humboldt State University Center Board of Directors
• Humboldt State University Advancement Foundation
• California State University, Long Beach Research Foundation
• CSULB 49er Foundation
• Associated Students, Inc., California State University, Long Beach
• Forty-Niner Shops, Inc. (Long Beach)
• Cal State L.A. University Auxiliary Services, Inc.
• California State University, Los Angeles Foundation
• Associated Students of California State University, Los Angeles, Inc.
• University – Student Union at California State University, Los Angeles
• California Maritime Academy Foundation, Inc.
• Associated Students of the California Maritime Academy
• University Corporation at Monterey Bay
• Foundation of California State University, Monterey Bay
• California State University, Northridge Foundation
• Associated Students, Inc., California State University, Northridge
• University Student Union, California State University, Northridge
• North Campus – University Park Development Corporation (Northridge)
• The University Corporation (Northridge)
• Cal Poly Pomona Foundation, Inc.
• Associated Students, Inc., California State Polytechnic University, Pomona
• The University Foundation at Sacramento State
• University Enterprises, Inc. (Sacramento)
• Associated Students of California State University, Sacramento
• University Union Operation of California State University, Sacramento
• Capital Public Radio, Inc. (Sacramento)
• Santos Manuel Student Union of California State University, San Bernardino
• Associated Students, Incorporated, California State University, San Bernardino
• CSUSB Philanthropic Foundation
• University Enterprises Corporation at CSUSB
• San Diego State University Research Foundation
• The Campanile Foundation (San Diego)
• Associated Students of San Diego State University
Aztec Shops, Ltd. (San Diego)
The University Corporation, San Francisco State
Associated Students of San Francisco State University
San Francisco State University Student Center
San Francisco State University Foundation
Associated Students of San Jose State University
The Student Union of San Jose State University
The Tower Foundation of San Jose State University
San Jose State University Research Foundation
Spartan Shops, Inc. (San Jose)
California Polytechnic State University Foundation (San Luis Obispo)
Cal Poly Corporation (San Luis Obispo)
Associated Students, Inc., California Polytechnic State University, San Luis Obispo
University Auxiliary and Research Services Corporation (San Marcos)
Associated Students, Inc. of California State University, San Marcos
San Marcos University Corporation
California State University San Marcos Foundation
Sonoma State University Academic Foundation, Inc.
Associated Students of Sonoma State University
Sonoma State Enterprises, Inc.
California State University, Stanislaus Foundation
Associated Students Incorporated of California State University, Stanislaus
University Student Union of California State University, Stanislaus
California State University, Stanislaus Auxiliary and Business Services

These component units are presented in the accompanying financial statements as discretely presented component units of the University due to the nature and significance of their relationship with the University. The relationships are such that exclusion of these organizations from the reporting entity would render the financial statements incomplete, primarily due to their close affiliation with the University. These organizations are discretely presented to allow the financial statement users to distinguish between the University and the component units. None of the component units are considered individually significant to the total discretely presented component units.
All significant nonexchange transactions have been eliminated.

The accompanying financial statements also include the Stockton Center Site Authority, Fullerton Arboretum, and California State Student Association, which are included as blended component units. These organizations primarily provide services to the University in the areas of asset management and student support. The University is financially accountable for these organizations.

(b) Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

(c) New Accounting Pronouncements

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

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

The University is evaluating the effect that GASB Statement Nos. 68 and 71 will have on its financial statements.
(d) **Discretely Presented Component Units Restatements**

The beginning net position of the discretely presented component units has been restated by $6.2 million for reasons explained below. A summary of those restatements to net position at the beginning of the year related to the discretely presented component units is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position as of June 30, 2013, as previously reported</td>
<td>$2,322,130,000</td>
</tr>
<tr>
<td>Adjustment due to ineligible grant claims for post retirement health benefits</td>
<td>$(4,510,000)</td>
</tr>
<tr>
<td>Adjustment in OPEB obligation due to conversion from FASB to GASB</td>
<td>$(1,120,000)</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>$(572,000)</td>
</tr>
<tr>
<td><strong>Net position at beginning of year, as restated</strong></td>
<td><strong>$2,315,928,000</strong></td>
</tr>
</tbody>
</table>

(e) **Classification of Current and Noncurrent Assets (Other than Investments) and Liabilities**

The University considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the Statement of Net Position date. Liabilities that reasonably can be expected, as part of normal University business operations, to be liquidated within 12 months of the Statement of Net Position date are considered to be current. All other assets and liabilities are considered noncurrent. For classification of current and noncurrent investments, refer to note 2(g).

(f) **Cash and Cash Equivalents and Statement of Cash Flows**

The University considers highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The University considers amounts included in the CSU Consolidated Investment Pool to be investments. The Statement of Cash Flows does not include the cash flows of the discretely presented component units. Certain transactions recorded as revenue or expenses in the accompanying Statement of Revenues, Expenses, and Changes in Net Position include transactions between the University and its discretely presented component units that are also participants in the CSU Consolidated Investment Pool. The University considers changes in the respective participant’s equity in the CSU Consolidated Investment Pool resulting from these transactions to represent cash flows of the University in the accompanying Statement of Cash Flows.

(g) **Investments**

Investments are reflected at fair value using quoted market prices. Realized and unrealized gains and losses are included in the accompanying Statement of Revenues, Expenses, and Changes in Net Position as a component of investment income, net.

Investments that are used for current operations are classified as short-term investments. Investments that are restricted for withdrawal or use for other than current operations, designated or restricted for the acquisition or construction of noncurrent assets, designated or restricted for the liquidation of the noncurrent portion of long-term debt, and restricted as to the liquidity of the investments are classified as other long-term investments.
(h) Accounts Receivable

The University maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable based on type of receivables and expectations of repayment. In establishing the required allowance, management considers one or more of the following: type of receivable, state guidelines, historical losses adjusted to take into account current market conditions, the amount of receivable in dispute, the current receivable aging, and current payment patterns. The University reviews its allowance for doubtful accounts annually. Past-due balances over 90 days and over a specified amount are reviewed individually for collectibility.

(i) Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased, or, if donated, at estimated fair value at date of donation. Capital assets, including infrastructure and intangible assets, with an original value of $5,000 or more and with a useful life of one year or more, are capitalized. Such cost includes, where applicable, interest capitalized as part of the cost of constructed capital assets. Title to all University assets, whether purchased, constructed, or donated, is held by the State. Although title is not with the University for land and buildings, the University has exclusive use of these assets and is responsible for the maintenance of these assets and thus has recorded the cost of these assets in the accompanying financial statements. Capital assets, with the exception of land and land improvements, works of art and historical treasures, construction work in progress, and certain intangible assets, are depreciated or amortized on a straight-line basis over their estimated useful lives, which ranges from 3 to 45 years. Library books, unless considered rare collections, are capitalized and depreciated over a 10-year period. Periodicals and subscriptions are expensed as purchased. Works of art and historical treasures are valued at cost, if purchased, or the fair market value at the date of donation, if contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Depreciation and amortization expense is shown separately in the Statement of Revenues, Expenses, and Changes in Net Position rather than being allocated among other categories of operating expenses.

(j) Unearned Revenue

Unearned revenue consists primarily of fees collected in advance for summer and fall terms and continuing education programs.

(k) Compensated Absences

Compensated absences are recognized when the right to receive the compensation is earned by the employees. Vacation is accrued on a monthly basis. The University uses an employee’s current pay rate as of July 1, 2014 to calculate the liability for accrued compensated absences. The University employee’s pay rates are based on length of service and job classifications.

(l) Grants Refundable

The University periodically receives contributions from the Federal government in support of its operation of the Federal Perkins and Nursing Loan programs, both Title IV Loan programs. The
federal government has the ability to terminate its support of these programs at any time and to request that the University return those contributions on a cumulative basis. Accordingly, the federal contributions received and retained by the University at year-end are considered liabilities of the University and are reflected as such in the accompanying Statement of Net Position.

(m) **Claims Liability for Losses and Loss Adjustment Expenses**

The claims liability for losses and loss adjustment expenses included in the aggregate discretely presented component units column of the financial statements includes California State University Risk Management Authority’s (CSURMA) estimated ultimate cost of settling claims relating to events that have occurred on or before June 30, 2014. The liability includes the estimated amount that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not been reported. The liability is also reduced by estimated amounts recoverable from the reinsurance that is related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. The liability is not discounted.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made.

In the estimate of the unpaid losses and loss adjustment expenses, CSURMA and its consulting actuary have employed methods and assumptions they considered reasonable and appropriate given the information currently available. Given the inherent uncertainty in the nature of such estimates, future losses may deviate from those estimates.

(n) **Net Position**

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

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

- **Restricted:**

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

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

- **Unrestricted:** All other categories of net position. In addition, unrestricted net position may have legislative or bond indenture requirements associated with their use or may be designated for use by management of the University. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be
designated to support future operations in these areas. University housing programs are a primary example of operations that have unrestricted net position with designated uses.

(o) Classification of Revenues and Expenses
The University considers operating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions and from other activities that are connected directly to the University’s primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement No. 35. These nonoperating activities include the University’s capital and noncapital appropriations from the State, financial aid, net investment income, noncapital gifts, interest expense, and capital grants and gifts.

The State appropriates funds to the University on an annual basis. The appropriations are, in turn, allocated among the campuses by the Office of the Chancellor. Appropriations are recognized as revenue in general when authorization is received and are reported as either noncapital appropriations when used to support general operations or capital appropriations when used for capital projects.

Student tuition and fee revenue, and sales and services of auxiliary enterprises, including revenues from student housing programs, are presented net of scholarships and fellowships applied to student accounts. Certain other scholarship amounts are paid directly to, or refunded to, the student and are reflected as expenses.

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

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

(r) Internal Services Activities
Certain institutional internal service providers offer goods and services to University departments, as well as to their external customers. These include activities such as copy centers, postal services, and telecommunications. All internal service activities to University departments have been eliminated in the accompanying financial statements. These eliminations are recorded by removing the revenue and expense in the internal service sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the year.
(s) **Income Taxes**

The University is an agency of the State and is treated as a governmental entity for tax purposes. As such, the University is generally not subject to federal or state income taxes pursuant to IRC §115. However, the University remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded. If there is net income from any unrelated trade or business, such provision, in the opinion of management, is not material to the financial statements taken as a whole.

(t) **Eliminations**

All significant nonexchange transactions between the University and the discretely presented component units have been eliminated from the total column and are separately presented in the eliminations column in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

(u) **Use of Estimates**

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

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

The University’s cash, cash equivalents, and investments as of June 30, 2014 are classified in the accompanying Statement of Net Position as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 4,074,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>90,000</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>4,164,000</strong></td>
</tr>
<tr>
<td>Short-term investments</td>
<td>2,855,578,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>16,218,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>340,935,000</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>3,212,731,000</strong></td>
</tr>
<tr>
<td><strong>Total cash, cash equivalents, and investments</strong></td>
<td><strong>$ 3,216,895,000</strong></td>
</tr>
</tbody>
</table>

(a) **Cash and Cash Equivalents**

At June 30, 2014, cash and cash equivalents consisted of demand deposits held at the State Treasury and commercial banks, and petty cash. Total cash and cash equivalents of $4,164,000 had a corresponding carrying balance with the State Treasury and commercial banks of $15,825,000 at June 30, 2014. The difference was primarily related to deposits in transit and outstanding checks.
Cash in demand deposit accounts is minimized by sweeping available cash balances into the CSU Consolidated Investment Pool on a daily basis.

Custodial Credit Risk for Deposits

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

(b) Investments

At June 30, 2014, the University’s investment portfolio consists primarily of investments in the State of California SMIF and the CSU Consolidated Investment Pool. For the CSU Consolidated Investment Pool, separate accounting is maintained as to the amounts allocable to the various University funds and programs.

Investment Policy

State law and regulations require that surplus monies of the University must be invested. The primary objective of the University’s investment policy is to safeguard the principal. The secondary objective is to meet the liquidity needs of the University. The third objective is to return an acceptable yield. The University’s investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government Code Section 16430 and Education Code Section 89724, subject to certain limitations. In general, the University’s investment policy permits investments in obligations of the Federal and California state governments, certificates of deposit, high quality domestic corporate and fixed income securities, and certain other investment instruments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The University’s investment guidelines manage its interest rate risk. The guidelines include limits on the maximum maturity of any individual investment in the portfolio and average duration of the portfolio. The effective maturity date reflects a bond with features such as a call, put or reset date, and prepayment speed resulting in the maturity of a bond being less than the final maturity date. Duration is a measure of the sensitivity of the price of fixed income investment relative to changes in interest rates. The University manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Weighted average maturity is the average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount of the asset. As a result, the interest rate risk is remote. The weighted average maturity of the University’s investment portfolio for each investment type as of June 30, 2014 is presented in the table on the following page.
Credit Risk

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

The following table presents the fair value, weighted average maturity, and actual rating by investment type of the University’s allocated share of the CSU Consolidated Investment Pool and the SMIF as of June 30, 2014:

<table>
<thead>
<tr>
<th>Investment type</th>
<th>Fair value (in years)</th>
<th>Weighted average maturity (in years)</th>
<th>Rating as of year-end</th>
<th>Not rated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>AAA</td>
<td>AA</td>
<td>A</td>
</tr>
<tr>
<td>Money market</td>
<td>$31,629,000</td>
<td>$1,087,000</td>
<td>21,306,000</td>
<td>9,236,000</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>2,274,000</td>
<td></td>
<td>2,042,000</td>
<td>232,000</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>180,184,000</td>
<td>18,093,000</td>
<td>162,091,000</td>
<td></td>
</tr>
<tr>
<td>Commercial paper</td>
<td>3,646,000</td>
<td>5,646,000</td>
<td>441,900,000</td>
<td>441,900,000</td>
</tr>
<tr>
<td>U.S. agency securities</td>
<td>742,877,000</td>
<td>742,877,000</td>
<td>742,877,000</td>
<td>742,877,000</td>
</tr>
<tr>
<td>State of California:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus Money Investment Fund</td>
<td>441,900,000</td>
<td>441,900,000</td>
<td>441,900,000</td>
<td></td>
</tr>
<tr>
<td>Corporate and fixed income securities</td>
<td>1,011,356,000</td>
<td>210,993,000</td>
<td>211,180,000</td>
<td>1,007,051,000</td>
</tr>
<tr>
<td>U.S. Treasury securities</td>
<td>774,713,000</td>
<td>774,713,000</td>
<td>774,713,000</td>
<td></td>
</tr>
<tr>
<td>Municipal securities</td>
<td>21,856,000</td>
<td>21,856,000</td>
<td>21,856,000</td>
<td>21,856,000</td>
</tr>
<tr>
<td>Mortgage-backed securities</td>
<td>2,296,000</td>
<td>2,296,000</td>
<td>2,296,000</td>
<td>2,296,000</td>
</tr>
<tr>
<td>Total</td>
<td>$3,212,731,000</td>
<td>$211,180,000</td>
<td>768,419,000</td>
<td>1,226,081,000</td>
</tr>
</tbody>
</table>

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

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

Concentration of Credit Risk

Concentration of credit risk rises as investments become concentrated relative to a portfolio characteristic such as issuance, issuer, market sector, counter-party, or sovereign nation and is best mitigated by diversification. The University’s investment policy has concentration limits that provide sufficient diversification. As such, the concentration of credit risk is remote.
As of June 30, 2014, the following investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of the University’s investment portfolio: Federal National Mortgage Association notes ($254,651,000 or 7.9%), and Federal Home Loan Mortgage Corporation ($227,281,000 or 7.1%).

Risk and Uncertainties

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

The University, through the CSU Consolidated Investment Pool, invests in securities with contractual cash flows, such as asset-backed securities and mortgage-backed securities. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market’s perception of the issuers and changes in interest rates.

Custodial Credit Risk for Investments

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

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

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

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

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

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

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

(5) Leases Receivable

The University has entered into capital lease agreements with certain discretely presented component units to lease existing and newly constructed facilities to the discretely presented component units. Interest rates range from 1.50% to 5.55%. Lease payments are due twice a year on May 1 and November 1.

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

<table>
<thead>
<tr>
<th>Fiscal year ending:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td>$29,305,000</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>26,639,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td>26,930,000</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>27,014,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>27,039,000</td>
<td></td>
</tr>
<tr>
<td>2020–2024</td>
<td></td>
<td>144,956,000</td>
<td></td>
</tr>
<tr>
<td>2025–2029</td>
<td></td>
<td>145,181,000</td>
<td></td>
</tr>
<tr>
<td>2030–2034</td>
<td></td>
<td>114,458,000</td>
<td></td>
</tr>
<tr>
<td>2035–2039</td>
<td></td>
<td>36,895,000</td>
<td></td>
</tr>
<tr>
<td>2040–2044</td>
<td></td>
<td>22,465,000</td>
<td></td>
</tr>
<tr>
<td>2045–2049</td>
<td></td>
<td>4,495,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>605,377,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

Total minimum lease payments to be received

Less amounts representing interest

Present value of future minimum lease payments to be received

Less current portion

Lease receivable, net of current portion

$358,915,000
(6) Notes Receivable

The University has entered into note agreements with certain discretely presented component units to finance existing and newly constructed facilities for the discretely presented component units. Interest rates range from 0.39% to 5.45%. Note payments are due twice a year, on May 1 and November 1.

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

<table>
<thead>
<tr>
<th>Fiscal year ending:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$ 63,526,000</td>
</tr>
<tr>
<td>2016</td>
<td>32,794,000</td>
</tr>
<tr>
<td>2017</td>
<td>19,302,000</td>
</tr>
<tr>
<td>2018</td>
<td>19,308,000</td>
</tr>
<tr>
<td>2019</td>
<td>19,317,000</td>
</tr>
<tr>
<td>2020–2024</td>
<td>93,563,000</td>
</tr>
<tr>
<td>2025–2029</td>
<td>87,268,000</td>
</tr>
<tr>
<td>2030–2034</td>
<td>72,738,000</td>
</tr>
<tr>
<td>2035–2039</td>
<td>43,478,000</td>
</tr>
<tr>
<td>2040–2044</td>
<td>6,497,000</td>
</tr>
<tr>
<td><strong>Total minimum note payments to be received</strong></td>
<td>457,791,000</td>
</tr>
<tr>
<td><strong>Less amounts representing interest</strong></td>
<td>(157,105,000)</td>
</tr>
<tr>
<td><strong>Present value of future minimum note payments to be received</strong></td>
<td>300,686,000</td>
</tr>
<tr>
<td><strong>Less current portion</strong></td>
<td>(51,319,000)</td>
</tr>
<tr>
<td><strong>Notes receivable, net of current portion</strong></td>
<td>$ 249,367,000</td>
</tr>
</tbody>
</table>
(7) **Capital Assets**

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

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Transfers</th>
<th>Ending balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nondepreciable/nonamortizable capital assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and land improvements</td>
<td>$256,976,000</td>
<td>4,979,000</td>
<td>—</td>
<td>35,000</td>
<td>261,990,000</td>
</tr>
<tr>
<td>Works of art and historical treasures</td>
<td>28,697,000</td>
<td>1,647,000</td>
<td>(36,000)</td>
<td>33,000</td>
<td>30,341,000</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>553,977,000</td>
<td>393,143,000</td>
<td>(1,830,000)</td>
<td>475,986,000</td>
<td>469,304,000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>6,691,000</td>
<td>7,606,000</td>
<td>(97,000)</td>
<td>(3,171,000)</td>
<td>11,029,000</td>
</tr>
<tr>
<td><strong>Total nondepreciable/nonamortizable capital assets</strong></td>
<td>846,341,000</td>
<td>407,375,000</td>
<td>(1,963,000)</td>
<td>(479,089,000)</td>
<td>772,664,000</td>
</tr>
<tr>
<td>Depreciable/amortizable capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td>10,070,239,000</td>
<td>88,824,000</td>
<td>(15,794,000)</td>
<td>432,978,000</td>
<td>10,576,247,000</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>547,003,000</td>
<td>8,367,000</td>
<td>(25,000)</td>
<td>16,227,000</td>
<td>571,572,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>974,641,000</td>
<td>12,283,000</td>
<td>(6,018,000)</td>
<td>16,803,000</td>
<td>997,709,000</td>
</tr>
<tr>
<td>Personal property:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>712,195,000</td>
<td>47,839,000</td>
<td>(24,587,000)</td>
<td>9,846,000</td>
<td>745,293,000</td>
</tr>
<tr>
<td>Library books and materials</td>
<td>387,838,000</td>
<td>6,335,000</td>
<td>(2,518,000)</td>
<td>—</td>
<td>391,655,000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>312,454,000</td>
<td>5,123,000</td>
<td>(3,040,000)</td>
<td>3,235,000</td>
<td>317,772,000</td>
</tr>
<tr>
<td><strong>Total depreciable/amortizable capital assets</strong></td>
<td>13,004,370,000</td>
<td>168,771,000</td>
<td>(51,982,000)</td>
<td>479,089,000</td>
<td>13,600,248,000</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td>13,850,711,000</td>
<td>576,146,000</td>
<td>(53,945,000)</td>
<td>—</td>
<td>14,372,912,000</td>
</tr>
<tr>
<td>Less accumulated depreciation/amortization:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td>(4,246,382,000)</td>
<td>(303,127,000)</td>
<td>1,294,000</td>
<td>—</td>
<td>(4,548,215,000)</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>(380,808,000)</td>
<td>(23,036,000)</td>
<td>—</td>
<td>—</td>
<td>(403,844,000)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(386,783,000)</td>
<td>(31,655,000)</td>
<td>4,182,000</td>
<td>—</td>
<td>(414,256,000)</td>
</tr>
<tr>
<td>Personal property:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>(509,386,000)</td>
<td>(47,312,000)</td>
<td>22,280,000</td>
<td>—</td>
<td>(534,418,000)</td>
</tr>
<tr>
<td>Library books and materials</td>
<td>(348,642,000)</td>
<td>(8,442,000)</td>
<td>2,592,000</td>
<td>—</td>
<td>(354,492,000)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(289,594,000)</td>
<td>(10,225,000)</td>
<td>2,444,000</td>
<td>—</td>
<td>(297,375,000)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation/amortization</strong></td>
<td>(6,161,595,000)</td>
<td>(423,797,000)</td>
<td>32,792,000</td>
<td>—</td>
<td>(6,552,600,000)</td>
</tr>
<tr>
<td><strong>Net capital assets</strong></td>
<td>$7,689,116,000</td>
<td>152,349,000</td>
<td>(21,153,000)</td>
<td>—</td>
<td>7,820,312,000</td>
</tr>
</tbody>
</table>
Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2014 consisted of the following:

<table>
<thead>
<tr>
<th>Nondepreciable/nonamortizable capital assets:</th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Transfers</th>
<th>Ending balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and land improvements</td>
<td>$105,671,000</td>
<td>13,630,000</td>
<td>(7,823,000)</td>
<td>267,000</td>
<td>111,745,000</td>
</tr>
<tr>
<td>Works of art and historical treasures</td>
<td>8,264,000</td>
<td>44,000</td>
<td>—</td>
<td>93,000</td>
<td>8,401,000</td>
</tr>
<tr>
<td>Construction work in progress</td>
<td>14,077,000</td>
<td>14,236,000</td>
<td>(3,269,000)</td>
<td>(15,153,000)</td>
<td>9,891,000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>5,082,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5,082,000</td>
</tr>
<tr>
<td><strong>Total nondepreciable/nonamortizable capital assets</strong></td>
<td><strong>133,094,000</strong></td>
<td><strong>27,910,000</strong></td>
<td><strong>(11,092,000)</strong></td>
<td><strong>(14,793,000)</strong></td>
<td><strong>135,119,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Depreciable/amortizable capital assets:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and building improvements</td>
<td>754,338,000</td>
<td>38,698,000</td>
<td>(18,530,000)</td>
<td>7,356,000</td>
<td>781,862,000</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>114,451,000</td>
<td>5,390,000</td>
<td>(10,162,000)</td>
<td>4,830,000</td>
<td>114,509,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>67,575,000</td>
<td>—</td>
<td>(11,000)</td>
<td>—</td>
<td>67,564,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>187,636,000</td>
<td>17,694,000</td>
<td>(15,314,000)</td>
<td>5,461,000</td>
<td>195,477,000</td>
</tr>
<tr>
<td>Library books and materials</td>
<td>3,018,000</td>
<td>—</td>
<td>—</td>
<td>(3,018,000)</td>
<td>—</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>10,790,000</td>
<td>446,000</td>
<td>(729,000)</td>
<td>179,000</td>
<td>10,686,000</td>
</tr>
<tr>
<td><strong>Total depreciable/amortizable capital assets</strong></td>
<td><strong>1,137,808,000</strong></td>
<td><strong>62,228,000</strong></td>
<td><strong>(44,746,000)</strong></td>
<td><strong>14,808,000</strong></td>
<td><strong>1,170,098,000</strong></td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td><strong>1,270,902,000</strong></td>
<td><strong>90,138,000</strong></td>
<td><strong>(55,838,000)</strong></td>
<td><strong>15,000</strong></td>
<td><strong>1,305,217,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less accumulated depreciation/amortization:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and building improvements</td>
<td>(248,426,000)</td>
<td>(26,818,000)</td>
<td>4,394,000</td>
<td>(337,000)</td>
<td>(271,187,000)</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>(56,073,000)</td>
<td>(5,751,000)</td>
<td>8,203,000</td>
<td>(258,000)</td>
<td>(53,879,000)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(14,067,000)</td>
<td>(1,689,000)</td>
<td>—</td>
<td>—</td>
<td>(15,756,000)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(147,746,000)</td>
<td>(13,265,000)</td>
<td>15,423,000</td>
<td>595,000</td>
<td>(144,993,000)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(7,755,000)</td>
<td>(806,000)</td>
<td>579,000</td>
<td>(15,000)</td>
<td>(7,997,000)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation/amortization</strong></td>
<td><strong>(474,067,000)</strong></td>
<td><strong>(48,329,000)</strong></td>
<td><strong>28,599,000</strong></td>
<td><strong>(15,000)</strong></td>
<td><strong>(493,812,000)</strong></td>
</tr>
</tbody>
</table>

| Net capital assets                          | $796,835,000      | 41,809,000 | (27,239,000) | — | 811,405,000   |
For additional information regarding the capital assets of the individual discretely presented component units of the University, refer to their separately issued financial statements.

(8) Lease Obligations

The University is obligated under various capital and operating leases and installment purchase agreements for the acquisition of equipment and facility rentals. A substantial amount of the capital leases is a result of the University’s participation with the State in the State Public Works Board (SPWB) Lease Revenue Bond program. The University has participated in this program since 1986 in connection with the construction of campus facilities and related equipment. Current California law permits the SPWB to authorize the sale of bonds to construct certain state facilities if there is a revenue stream that can be pledged to repay the obligations. The process in general is described in brief as follows:

- The University and the State of California Department of Finance agree to the construction of one or more facilities to be funded by SPWB bonds. The projects are approved as part of the University’s capital outlay budget.

- The SPWB approves the sale of bonds for the project(s) and the University agrees to execute certain legal documents in connection with the financing, including a site lease to the SPWB, a construction agreement to construct the facility for the SPWB, and a facility lease to lease the completed facility from the SPWB for annual rental payments.

- Prior to the execution of the facility lease, the University receives a short-term loan from the State of California Pooled Money Investment Board to provide working capital for initial phases of the construction and in some cases the entire construction.

- Generally, during the construction phase of the project, the bonds are sold by the SPWB, the construction loan is repaid, and site leases and facility leases are executed requiring semiannual lease payments, beginning upon completion of the facilities, by the Trustees that are used to pay principal and interest on the bonds.

- As part of the annual budget process, the State of California Department of Finance augments the University’s operating budget to provide additional funds for the required lease payments.

The capital lease obligation related to the SPWB Lease Revenue Bond Program amounted to $1,132,015,000. The University also enters into capital leases with financial institutions and via commercial paper issued by the California State University Institute (the Institute), a discretely presented component unit of the University.

Overall capital leases consist primarily of leases of campus facilities, but also include certain computer, energy efficiency, and telecommunications equipment. Total assets related to capital leases have a carrying value of $808,064,000 at June 30, 2014. The leases bear interest at rates ranging from 2.00% to 12.62% and have terms expiring in various years through 2041.

Operating leases consist primarily of leases for the use of real property. The University’s operating leases expire in various fiscal years through 2099. The leases can be canceled if the State does not provide adequate funding. Some of these leases are with related auxiliary organizations for the rental of office space used in the operations of the University. Total operating lease expenditures for the year ended
June 30, 2014 were $27,387,000 of which $15,117,000 was paid to related discretely presented component units.

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

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

(9) Long-Term Debt Obligations

(a) General Obligation Bond Program

The General Obligation Bond program of the State has provided capital outlay funds for the three segments of California Higher Education through voter-approved bonds. Each of the approved bond programs provides a pool of available funds, which is allocated on a project-by-project basis among the University, the University of California, and the Community Colleges. Financing provided to the University through State of California General Obligation Bonds is not allocated to the University by the State. This debt remains the obligation of the State and is funded by state tax revenues. Accordingly, such debt is not reflected in the accompanying financial statements. The total General
Obligation Bond debt carried by the State related to the University projects is approximately $2,604,535,000 as of June 30, 2014.

(b) Revenue Bond Programs

The Revenue Bond Act of 1947 provides the Trustees with the ability to issue revenue bonds to fund specific self-supporting programs. The statute has enabled the Trustees to finance student housing, student unions, parking facilities, health facilities, continuing education facilities, and designated auxiliary organization facilities.

The Systemwide Revenue Bond program, formerly the Housing Revenue Bond program, was approved by the Trustees in fiscal year 2003. This program provides funding for various construction projects, including student residence and dining halls facilities, continuing education buildings, student unions, parking facilities, health facilities, and auxiliary organization facilities at certain campuses within the University system as specified by the individual bond documents. It is designed to provide lower cost debt and greater flexibility to finance revenue bond projects at the University. Rather than relying on specific pledged revenues to support specific debt obligations, this program pools several sources of revenue as the pledge for the revenue-producing projects. The University’s total outstanding balance of revenue bond indebtedness under the Systemwide Revenue Bond program was $3,507,043,000 at June 30, 2014.

The University has pledged future continuing education, healthcare facilities, housing, parking, and student union revenues plus designated auxiliary revenues, net of maintenance and operation expenses before extraordinary items (net income available for debt service), to repay $4,204,868,000 in Systemwide Revenue Bonds issued through fiscal year 2014.

(c) Bond Anticipation Notes (BANs)

The Trustees have authorized the issuance of BANs to provide short-term financing to the University System for certain projects. The BANs are purchased by the Institute with proceeds from the commercial paper issued by the Institute. The BANs are generally issued for periods of up to three years in anticipation of issuing permanent revenue bonds at a future date. State law was amended in 2008 to allow BAN maturities to extend beyond three years and the maturity date for the issuance of BANs to be determined by the Trustees. In fiscal year 2010, the Trustees authorized three projects for financing with maturities beyond three years and they will remain in BANs until the debt is retired. BAN interest is variable and changes based upon the cost of the Institute’s commercial paper program. The maximum and minimum weighted average interest rates for the year ended June 30, 2014 were 0.17% and 0.07%, respectively. The University’s BANs totaled $168,511,000 at June 30, 2014. The not-to-exceed amounts related to the outstanding amounts totaled $254,225,000 of which $71,899,000 has not been issued and $13,815,000 has been issued and paid back.
Long-term debt obligations of the University as of June 30, 2014 consisted of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Interest rate percentage</th>
<th>Final maturity date</th>
<th>Original issue amount</th>
<th>Amount outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide Revenue Bonds, Housing Series J – Q</td>
<td>3.00%</td>
<td>2019/20–2021/22</td>
<td>$17,273,000</td>
<td>5,663,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2004A</td>
<td>3.50–5.25</td>
<td>2018/19–2026/27</td>
<td>$57,435,000</td>
<td>34,665,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2005A</td>
<td>3.75–5.00</td>
<td>2016/17–2037/38</td>
<td>$658,635,000</td>
<td>373,605,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2005B</td>
<td>5.00</td>
<td>2015/16–2021/22</td>
<td>$134,805,000</td>
<td>61,380,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2005C</td>
<td>4.50–5.25</td>
<td>2017/18–2038/39</td>
<td>$540,900,000</td>
<td>365,800,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2007A</td>
<td>4.00–5.00</td>
<td>2024/25–2044/45</td>
<td>$254,770,000</td>
<td>239,395,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2007B</td>
<td>5.27–5.55</td>
<td>2027/28–2037/38</td>
<td>$13,165,000</td>
<td>11,375,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2007C</td>
<td>5.00</td>
<td>2020/21–2028/29</td>
<td>$63,275,000</td>
<td>50,875,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2007D</td>
<td>4.00–5.00</td>
<td>2037/38</td>
<td>$80,360,000</td>
<td>73,105,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2008A</td>
<td>3.50–5.00</td>
<td>2022/23–2039/40</td>
<td>$375,160,000</td>
<td>342,945,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2009A</td>
<td>3.50–6.00</td>
<td>2015/16–2040/41</td>
<td>$465,365,000</td>
<td>441,265,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2010A</td>
<td>3.00–5.00</td>
<td>2019/20–2031/32</td>
<td>$146,950,000</td>
<td>127,255,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2010B</td>
<td>5.45–6.48</td>
<td>2035/36–2041/42</td>
<td>$205,145,000</td>
<td>205,145,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2011A</td>
<td>2.50–5.25</td>
<td>2020/21–2042/43</td>
<td>$429,855,000</td>
<td>413,815,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2012A</td>
<td>0.39–5.00</td>
<td>2021/22–2042/43</td>
<td>$436,220,000</td>
<td>435,550,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2012B</td>
<td>2.79–4.17</td>
<td>2036/37</td>
<td>$16,700,000</td>
<td>16,350,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds, Series 2013A</td>
<td>1.50–5.00</td>
<td>2024/25 – 2026/27</td>
<td>$308,855,000</td>
<td>308,855,000</td>
</tr>
<tr>
<td>Bond Anticipation Notes</td>
<td>Variable</td>
<td>2014/15 – 2018/19</td>
<td>$182,326,000</td>
<td>168,511,000</td>
</tr>
<tr>
<td>Others</td>
<td>Variable</td>
<td>Various</td>
<td>$122,057,000</td>
<td>72,898,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>4,509,251,000</strong></td>
<td><strong>3,748,452,000</strong></td>
</tr>
<tr>
<td>Description</td>
<td>Interest rate percentage</td>
<td>Final maturity date</td>
<td>Original issue amount</td>
<td>Amount outstanding</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------------</td>
<td>---------------------</td>
<td>-----------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Unamortized bond net premium</td>
<td></td>
<td></td>
<td>$156,073,000</td>
<td></td>
</tr>
<tr>
<td>Total long-term debt</td>
<td></td>
<td></td>
<td></td>
<td>3,904,525,000</td>
</tr>
<tr>
<td>Less current portion</td>
<td></td>
<td></td>
<td></td>
<td>(260,601,000)</td>
</tr>
<tr>
<td>Long-term debt, net of current</td>
<td></td>
<td></td>
<td></td>
<td>$3,643,924,000</td>
</tr>
<tr>
<td>portion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$260,601,000</td>
<td>173,866,000</td>
</tr>
<tr>
<td>2016</td>
<td>122,824,000</td>
<td>169,315,000</td>
</tr>
<tr>
<td>2017</td>
<td>115,442,000</td>
<td>164,380,000</td>
</tr>
<tr>
<td>2018</td>
<td>120,135,000</td>
<td>159,281,000</td>
</tr>
<tr>
<td>2019</td>
<td>124,397,000</td>
<td>153,958,000</td>
</tr>
<tr>
<td>2020–2024</td>
<td>651,890,000</td>
<td>676,577,000</td>
</tr>
<tr>
<td>2025–2029</td>
<td>736,617,000</td>
<td>505,922,000</td>
</tr>
<tr>
<td>2030–2034</td>
<td>805,920,000</td>
<td>309,247,000</td>
</tr>
<tr>
<td>2035–2039</td>
<td>610,830,000</td>
<td>125,581,000</td>
</tr>
<tr>
<td>2040–2044</td>
<td>195,400,000</td>
<td>17,795,000</td>
</tr>
<tr>
<td>2045–2049</td>
<td>4,396,000</td>
<td>99,000</td>
</tr>
<tr>
<td></td>
<td>$3,748,452,000</td>
<td>2,456,021,000</td>
</tr>
</tbody>
</table>

Long-term debt obligations of the individual discretely presented component units have been issued to purchase or construct facilities for University-related uses. For additional information regarding long-term debt obligations of the individual discretely presented auxiliary organizations, refer to their separately issued financial statements.

(10) Advanced Refundings

(a) Current Year Refundings

In July 2013, the University partially defeased certain (Series 2005A and 2005C) Systemwide Revenue Bonds by placing a portion of the proceeds from the issuance of the Systemwide Revenue Bonds Series 2013A refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. The proceeds from the Series 2013A refunding bonds were used to purchase U.S. federal, state, and local government securities that were placed in escrow accounts. The investments and fixed earnings from the investments are considered sufficient to fully service the defeased debt until the debt is called or matured. These transactions will reduce the University’s total financing cost by approximately $22,391,000 over the life of the bonds. The economic gain
(difference between net present values of the debt service payments on the old debt and new debt) from these transactions was approximately $19,188,000. Accordingly, the refunded bonds have been considered defeased and, therefore, removed as a liability from the accompanying financial statements. The amount of defeased bonds outstanding as of date of refunding totaled $317,130,000.

The unamortized loss on the refundings of $44,680,000 was included in deferred outflows of resources in the Statement of Net Position. The loss represents the difference between the proceeds of the new bond issue, as adjusted for premium or discount, and the principal amounts of the bonds being defeased. The loss is being amortized over the life of the new bond issuance or the old bond issuance, whichever is shorter.

(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2014 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending balance</th>
<th>Current portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued compensated absences</td>
<td>$205,815,000</td>
<td>134,513,000</td>
<td>(122,085,000)</td>
<td>218,243,000</td>
<td>119,690,000</td>
</tr>
<tr>
<td>Capitalized lease obligations (note 8)</td>
<td>1,145,638,000</td>
<td>177,397,000</td>
<td>(72,761,000)</td>
<td>1,250,274,000</td>
<td>70,042,000</td>
</tr>
<tr>
<td><strong>Total long-term debt obligations</strong> (note 9):</td>
<td><strong>3,846,104,000</strong></td>
<td><strong>509,562,000</strong></td>
<td><strong>(451,141,000)</strong></td>
<td><strong>3,904,525,000</strong></td>
<td><strong>260,601,000</strong></td>
</tr>
<tr>
<td>Systemwide Revenue Bonds</td>
<td>3,604,708,000</td>
<td>308,863,000</td>
<td>(406,528,000)</td>
<td>3,507,043,000</td>
<td>96,090,000</td>
</tr>
<tr>
<td>Bond Anticipation Notes</td>
<td>27,055,000</td>
<td>153,271,000</td>
<td>(11,815,000)</td>
<td>168,511,000</td>
<td>153,541,000</td>
</tr>
<tr>
<td>Others</td>
<td>80,352,000</td>
<td>5,291,000</td>
<td>(12,745,000)</td>
<td>72,898,000</td>
<td>10,970,000</td>
</tr>
<tr>
<td><strong>Unamortized bond premium</strong></td>
<td>133,989,000</td>
<td>42,137,000</td>
<td>(20,053,000)</td>
<td>156,073,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total long-term debt obligations</strong></td>
<td><strong>3,846,104,000</strong></td>
<td><strong>509,562,000</strong></td>
<td><strong>(451,141,000)</strong></td>
<td><strong>3,904,525,000</strong></td>
<td><strong>260,601,000</strong></td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td><strong>$5,197,557,000</strong></td>
<td><strong>821,472,000</strong></td>
<td><strong>(645,988,000)</strong></td>
<td><strong>5,373,042,000</strong></td>
<td><strong>450,333,000</strong></td>
</tr>
</tbody>
</table>
Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2014 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending balance</th>
<th>Current portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued compensated absences</td>
<td>$17,525,000</td>
<td>12,103,000</td>
<td>(12,083,000)</td>
<td>17,545,000</td>
<td>14,074,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses</td>
<td>88,157,000</td>
<td>53,198,000</td>
<td>(40,989,000)</td>
<td>100,366,000</td>
<td>32,971,000</td>
</tr>
<tr>
<td>Capitalized lease obligations</td>
<td>385,824,000</td>
<td>11,777,000</td>
<td>(21,675,000)</td>
<td>375,926,000</td>
<td>15,906,000</td>
</tr>
</tbody>
</table>

Long-term debt obligations:

<table>
<thead>
<tr>
<th></th>
<th>Beginning balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending balance</th>
<th>Current portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue bonds</td>
<td>45,535,000</td>
<td>—</td>
<td>(5,025,000)</td>
<td>40,510,000</td>
<td>2,253,000</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>83,176,000</td>
<td>811,825,000</td>
<td>(713,851,000)</td>
<td>181,150,000</td>
<td>160,895,000</td>
</tr>
<tr>
<td>Notes payable</td>
<td>214,090,000</td>
<td>46,748,000</td>
<td>(22,010,000)</td>
<td>238,828,000</td>
<td>7,110,000</td>
</tr>
<tr>
<td>Others</td>
<td>103,026,000</td>
<td>6,978,000</td>
<td>(7,259,000)</td>
<td>102,745,000</td>
<td>2,284,000</td>
</tr>
</tbody>
</table>

Unamortized bond premium | 9,697,000         | 381,000   | (618,000)        | 9,460,000      | —               |

Total long-term debt obligations | 455,524,000 | 865,932,000 | (748,763,000) | 572,693,000 | 172,542,000 |

Total long-term liabilities | $947,030,000 | 943,010,000 | (823,510,000) | 1,066,530,000 | 235,493,000 |

For additional information regarding the long-term liabilities of the individual discretely presented component units of the University, refer to their separately issued financial statements.

(12) Pension Plan and Postretirement Benefits

(a) Pension Plan

Plan Description

The University, as an agency of the State, contributes to CalPERS. The State’s plan with CalPERS is an agent multiple-employer defined-benefit pension plan and CalPERS functions as an investment and administrative agent for its members. For the University, the plan acts as a cost-sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension and postretirement program for substantially all eligible University employees. The plan also provides survivor, death, and disability benefits. Eligible employees are covered by the Public Employees’ Medical and Hospital Care Act (PEMHCA) for medical benefits.

CalPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the California Public Employees’ Retirement System Executive Office, 400 P Street, Sacramento, CA 95814.
Funding Policy

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$411,926,000</td>
</tr>
<tr>
<td>2013</td>
<td>$462,607,000</td>
</tr>
<tr>
<td>2014</td>
<td>$493,922,000</td>
</tr>
</tbody>
</table>

(b) Postretirement Healthcare Plan

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

Plan Description

The State provides retiree healthcare benefits to statewide employees, including the University employees, through the programs administered by CalPERS. The State’s substantive plan represents a substantive single-employer defined benefit OPEB Plan, which includes medical and prescription drug benefits (collectively, healthcare benefits) to the retired University employees. The University provides dental benefits to eligible University’s retirees. Eligible retirees receive healthcare and dental benefits upon retirement at age 50 with 5 years of service credit.

For healthcare benefits, CalPERS offers Preferred Provider Organizations (PPOs), Health Maintenance Organizations (HMOs), and Exclusive Provider Organizations (EPOs) (limited to members in certain California counties); for dental benefits, a Dental Maintenance Organization (DMO) and dental indemnity plans to the University’s retirees. Health plans offered, covered benefits, monthly rates, and copayments are determined by the CalPERS Board, which reviews health plan contracts annually.

The contribution requirements of retirees and the State are established and may be amended by the State legislature. For healthcare benefits, the State makes a contribution toward the retiree’s monthly health premiums, with the retirees covering the difference between the State’s contribution and the actual healthcare premium amount. The State contribution is normally established through collective bargaining agreements. No retiree contribution is required for dental benefits.
Funding Policy

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

The University is responsible for paying the cost of dental benefits for all University retirees using funds provided by the State through general fund appropriations. The University makes payments directly to Delta Dental for the retiree’s monthly dental premiums. The University is paying these benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the total annual required contribution (ARC) for the University’s allocated portion of the postretirement healthcare plan, the amount contributed to the plan by the University, and changes in the University’s net OPEB obligation (NOO) for the fiscal years ended 2014, 2013, and 2012:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual required contribution (ARC):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billable accounts</td>
<td>$38,942,000</td>
<td>35,602,000</td>
<td>32,802,000</td>
</tr>
<tr>
<td>Nonbillable accounts (dental only)</td>
<td>40,057,000</td>
<td>40,055,000</td>
<td>39,710,000</td>
</tr>
<tr>
<td><strong>Total ARC</strong></td>
<td>78,999,000</td>
<td>75,657,000</td>
<td>72,512,000</td>
</tr>
<tr>
<td><strong>Contributions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billable accounts</td>
<td>(14,584,000)</td>
<td>(13,175,000)</td>
<td>(12,385,000)</td>
</tr>
<tr>
<td>Nonbillable accounts (dental only)</td>
<td>(16,420,000)</td>
<td>(16,051,000)</td>
<td>(16,085,000)</td>
</tr>
<tr>
<td><strong>Total contributions</strong></td>
<td>(31,004,000)</td>
<td>(29,226,000)</td>
<td>(28,470,000)</td>
</tr>
<tr>
<td><strong>Increase in net OPEB obligation (NOO)</strong></td>
<td>47,995,000</td>
<td>46,431,000</td>
<td>44,042,000</td>
</tr>
<tr>
<td><strong>NOO – beginning of year</strong></td>
<td>219,018,000</td>
<td>172,587,000</td>
<td>128,545,000</td>
</tr>
<tr>
<td><strong>NOO – end of year:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billable accounts</td>
<td>127,308,000</td>
<td>102,950,000</td>
<td>80,523,000</td>
</tr>
<tr>
<td>Nonbillable accounts (dental only)</td>
<td>139,705,000</td>
<td>116,068,000</td>
<td>92,064,000</td>
</tr>
<tr>
<td><strong>Total NOO</strong></td>
<td>$267,013,000</td>
<td>219,018,000</td>
<td>172,587,000</td>
</tr>
</tbody>
</table>

Percentage of annual OPEB cost contributed during the years ended June 30, 2014, 2013 and 2012: 39.2% 38.6% 39.3%
Actuarial Methods and Assumptions and Plan Funding Information

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

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

Funding progress information specifically related to the University’s portion of the statewide OPEB plan is not available. For more details about the actuarial methods and assumptions used by the State as well as the statewide plans’ funding progress and status, refer to the State of California’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ended 2014.

(13) Claims Liability for Losses and Loss Adjustment Expenses

The University and certain auxiliary organizations have established the CSURMA, a discretely presented component unit of the University, to centrally manage workers’ compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, and other risk-related programs. The claims liability included in the discretely presented component unit column reflects the estimated ultimate cost of settling claims related to events that have occurred on or before June 30, 2014. The liability includes estimated amounts that will be required for future payments of claims that have been reported and claims related to events that have occurred but have not yet been reported. The liability is also reduced by estimated amounts recoverable from the reinsurer that are related to the liabilities for unpaid claims and claim adjustment expenses. The liability is estimated through an actuarial calculation using individual case basis valuations and statistical analyses. Although considerable variability is inherent in such estimates, management believes that the liability is a reasonable estimate at June 30, 2014.

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

(14) Commitments and Contingencies

The State is a defendant in multiple lawsuits involving University matters not covered by the CSURMA as discussed in note 13. Management of the University is of the opinion that the liabilities, if any, arising from litigation will not have a material effect on the financial position of the University.
Federal grant programs are subject to review by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenditures. Management believes that it has adhered to the terms of its grants and that any disallowed expenditures resulting from such reviews would not have a material effect on the financial position of the University.

Authorized but unexpended expenditures for construction projects as of June 30, 2014 totaled $265,118,000. These expenditures will be funded primarily by State appropriations and bond proceeds.

In order to secure access to natural gas and electricity used for normal operation, the University participates in forward purchase contracts of natural gas and electricity operated by the Department of General Service and Shell Energy North America, respectively. The University’s obligation under these special purchase arrangements requires it to purchase an estimated total of $22,728,000 and $21,195,000 of natural gas and electricity at fixed prices through June 2017 and December 2015, respectively. The University estimates that the special purchase contracts in place represent approximately 28.0% and 13.5% of its total annual natural gas and electricity expenses, respectively.

(15) Classification of Operating Expenses

The University has elected to report operating expenses by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position, and to provide the natural classification of those expenses as an additional disclosure. For the year ended June 30, 2014, operating expenses by natural classification consisted of the following:

<table>
<thead>
<tr>
<th>Functional classification</th>
<th>Salaries</th>
<th>Benefits</th>
<th>Scholarships and fellowships</th>
<th>Supplies and other services</th>
<th>Depreciation and amortization</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>1,455,211,000</td>
<td>598,769,000</td>
<td>—</td>
<td>196,238,000</td>
<td>—</td>
<td>2,250,218,000</td>
</tr>
<tr>
<td>Research</td>
<td>20,213,000</td>
<td>7,752,000</td>
<td>—</td>
<td>17,341,000</td>
<td>—</td>
<td>45,306,000</td>
</tr>
<tr>
<td>Public service</td>
<td>29,596,000</td>
<td>7,962,000</td>
<td>—</td>
<td>16,276,000</td>
<td>—</td>
<td>53,834,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>328,708,000</td>
<td>145,603,000</td>
<td>—</td>
<td>157,770,000</td>
<td>—</td>
<td>632,081,000</td>
</tr>
<tr>
<td>Student services</td>
<td>345,835,000</td>
<td>157,785,000</td>
<td>—</td>
<td>193,861,000</td>
<td>—</td>
<td>697,481,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>346,344,000</td>
<td>160,130,000</td>
<td>—</td>
<td>179,585,000</td>
<td>—</td>
<td>686,059,000</td>
</tr>
<tr>
<td>Operation and maintenance</td>
<td>186,267,000</td>
<td>104,416,000</td>
<td>857,856,000</td>
<td>—</td>
<td>423,797,000</td>
<td>580,449,000</td>
</tr>
<tr>
<td>of plant</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>289,766,000</td>
<td>—</td>
<td>580,449,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>—</td>
<td>—</td>
<td>857,856,000</td>
<td>—</td>
<td>—</td>
<td>857,856,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>69,185,000</td>
<td>51,877,000</td>
<td>—</td>
<td>186,363,000</td>
<td>—</td>
<td>307,425,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>423,797,000</td>
<td>423,797,000</td>
</tr>
<tr>
<td>Total</td>
<td>2,781,359,000</td>
<td>1,234,294,000</td>
<td>857,856,000</td>
<td>1,237,200,000</td>
<td>423,797,000</td>
<td>6,534,506,000</td>
</tr>
</tbody>
</table>
(16) Transactions with Related Entities

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

(17) Subsequent Events

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

### June 30, 2014

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,056,000</td>
<td>4,411,000</td>
<td>5,467,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>655,397,000</td>
<td>812,000</td>
<td>66,299,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>11,158,000</td>
<td>2,209,000</td>
<td>13,367,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>245,000</td>
<td>41,000</td>
<td>276,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>245,000</td>
<td>27,000</td>
<td>272,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>77,856,000</td>
<td>7,500,000</td>
<td>85,356,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,684,000</td>
<td>—</td>
<td>3,684,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,408,000</td>
<td>—</td>
<td>1,408,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>907,000</td>
<td>11,553,000</td>
<td>12,460,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>139,931,000</td>
<td>2,352,000</td>
<td>142,283,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>145,949,000</td>
<td>35,124,000</td>
<td>181,073,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>223,805,000</td>
<td>42,624,000</td>
<td>266,429,000</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>3,156,000</td>
<td>4,228,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>5,977,000</td>
<td>6,004,000</td>
</tr>
<tr>
<td>Accrued compensated absences, current portion</td>
<td>2,248,000</td>
<td>2,428,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>1,587,000</td>
<td>2,787,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, current portion</td>
<td>1,125,000</td>
<td>1,125,000</td>
</tr>
<tr>
<td>Long-term debt obligations, current portion</td>
<td>29,879,000</td>
<td>29,908,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, current portion</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts, current portion</td>
<td>94,000</td>
<td>94,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>45,299,000</td>
<td>46,747,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>2,245,000</td>
<td>2,245,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>2,049,000</td>
<td>2,049,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>1,137,000</td>
<td>1,137,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>29,739,000</td>
<td>29,753,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, net of current portion</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>1,233,000</td>
<td>2,100,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>37,030,000</td>
<td>39,439,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>82,329,000</td>
<td>88,186,000</td>
</tr>
</tbody>
</table>

#### Deferred Outflows of Resources

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflows of resources</td>
<td>7,000</td>
</tr>
</tbody>
</table>

#### Deferred Inflows of Resources

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred inflows of resources</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Net Position

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position:</td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>89,623,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>—</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>55,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
</tr>
<tr>
<td>Loans</td>
<td>—</td>
</tr>
<tr>
<td>Capital projects</td>
<td>6,022,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>7,000</td>
</tr>
<tr>
<td>Other</td>
<td>62,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>45,714,000</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$141,483,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

### Revenues:

#### Operating revenues:

- **Student tuition and fees (net of scholarship allowances of $32,462,000)**
  - $21,789,000
  - 5,204,000
  - (2,367,000)
  - 24,626,000
- **Grants and contracts, noncapital:**
  - Federal
    - 3,058,000
  - State
    - 562,000
  - Local
    - 45,000
  - Nongovernmental
    - 830,000

#### Sales and services of auxiliary enterprises (net of scholarship allowances of $940,000)

- 5,645,000
  - 327,000
  - (129,000)
  - 5,843,000

#### Other operating revenues

- 350,000
  - 4,350,000
  - —
  - 4,700,000

**Total operating revenues**

- 32,963,000
  - 17,203,000
  - (2,775,000)
  - 47,391,000

### Expenses:

#### Operating expenses:

- **Instruction**
  - 40,150,000
- **Research**
  - 147,000
- **Public service**
  - 263,000
- **Academic support**
  - 14,587,000
- **Student services**
  - 17,173,000
- **Institutional support**
  - 13,013,000
- **Operation and maintenance of plant**
  - 10,195,000
- **Student grants and scholarships**
  - 17,908,000
- **Auxiliary enterprise expenses**
  - 3,706,000
- **Depreciation and amortization**
  - 7,428,000

**Total operating expenses**

- 124,570,000
  - 23,903,000
  - (5,821,000)
  - 142,652,000

**Operating loss**

- (91,607,000)
  - 3,185,000
  - 3,046,000
  - (95,261,000)

### Nonoperating revenues (expenses):

#### State appropriations, noncapital

- 52,390,000

#### Federal financial aid grants, noncapital

- 22,305,000

#### State financial aid grants, noncapital

- 12,404,000

#### Local financial aid grants, noncapital

- —

#### Nongovernmental and other financial aid grants, noncapital

- 401,000

#### Other federal nonoperating grants, noncapital

- 464,000

#### Investment income, net

- 545,000

#### Endowment income, net

- —

#### Interest expense

- (1,161,000)

#### Other nonoperating revenues (expenses)

- 2,595,000

**Net nonoperating revenues**

- 90,125,000
  - 9,885,000
  - —
  - 100,010,000

### Income (loss) before other revenues and expenses

- (1,482,000)
  - 3,185,000
  - 3,046,000
  - 4,749,000

### State appropriations, capital

- 2,317,000

### Grants and gifts, capital

- 3,494,000

### Additions to permanent endowments

- —
  - 863,000
  - —
  - 863,000

**Increase in net position**

- 4,329,000
  - 4,048,000
  - —
  - 8,377,000

### Net position:

- **Net position at beginning of year, as previously reported**
  - 137,154,000
  - 32,792,000
  - —
  - 169,946,000

- **Net position at beginning of year, as restated**
  - 137,154,000
  - 32,792,000
  - —
  - 169,946,000

**Net position at end of year**

- $141,483,000
  - 36,840,000
  - —
  - 178,323,000

---

See accompanying independent auditors’ report.
## Statement of Cash Flows

### Year ended June 30, 2014

**Campus**

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>$22,893,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$22,893,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>3,565,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>562,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>45,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>830,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(22,403,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(75,764,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(18,183,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>395,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>684,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>5,645,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>1,194,000</td>
</tr>
</tbody>
</table>

**Net cash used in operating activities**

(80,537,000)

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th>90,415,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>52,390,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>22,305,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>12,404,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td></td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>401,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td></td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>646,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>28,959,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(28,743,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>3,094,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(2,978,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>1,937,000</td>
</tr>
</tbody>
</table>

**Net cash provided by noncapital financing activities**

90,415,000

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th>5,641,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>187,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>110,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>16,144,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>378,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>7,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(19,604,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td></td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td></td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(1,683,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(1,180,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td></td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td></td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td></td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td></td>
</tr>
</tbody>
</table>

**Net cash used in capital and related financing activities**

(5,641,000)
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows
Year ended June 30, 2014

Cash flows from investing activities:
Proceeds from sales of investments $162,770,000
Purchases of investments (165,960,000)
Investment income proceeds 4,000

Net cash used in investing activities (3,186,000)

Net increase in cash and cash equivalents 1,051,000

Cash and cash equivalents at beginning of year 5,000

Cash and cash equivalents at end of year $1,056,000

Summary of cash and cash equivalents at end of year:
Cash and cash equivalents $1,056,000
Restricted cash and cash equivalents —

Total cash and cash equivalents at end of year $1,056,000

Reconciliation of operating loss to net cash used in operating activities:
Operating loss $91,607,000

Adjustments to reconcile operating loss to net cash used in operating activities:
Depreciation and amortization 7,428,000
Change in assets and liabilities:
Accounts receivable, net 1,790,000
Notes receivable —
Student loans receivable, net 120,000
Pledges receivable, net —
Prepaid expenses and other assets (72,000)
Accounts payable 746,000
Accrued salaries and benefits 118,000
Accrued compensated absences 304,000
Unearned revenue 665,000
Depository accounts —
Other postemployment benefits obligation 268,000
Other liabilities (297,000)

Net cash used in operating activities $80,537,000

Supplemental schedule of noncash transactions:
Acquisition of capital assets through long-term debt obligations $26,540,000
Contributed capital assets 3,117,000
Change in accrued capital asset purchases 1,600,000
Capital assets paid by the Office of the Chancellor 685,000
Change in accrued liabilities for amounts held in Agency Funds 222,000
Amortization of net bond premium 17,000

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

### Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
## Statement of Net Position
### June 30, 2014

### Assets

<table>
<thead>
<tr>
<th>Component</th>
<th>Campus</th>
<th>Discretely presented component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 6,000</td>
<td>$ 3,398,000</td>
<td>$ 3,404,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>41,364,000</td>
<td>99,000</td>
<td>41,463,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>4,907,000</td>
<td>4,926,000</td>
<td>9,833,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>1,380,000</td>
<td>1,380,000</td>
<td>2,760,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>865,000</td>
<td>865,000</td>
<td>865,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>959,000</td>
<td>445,000</td>
<td>1,404,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>49,481,000</td>
<td>9,016,000</td>
<td>58,497,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>$ 8,375,000</td>
<td>$ 8,375,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>32,667,000</td>
<td></td>
<td>32,667,000</td>
</tr>
<tr>
<td>Leases receivable, net, current portion</td>
<td>135,205,000</td>
<td></td>
<td>135,205,000</td>
</tr>
<tr>
<td>Notes receivable, net, current portion</td>
<td>60,390,000</td>
<td></td>
<td>60,390,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>295,000</td>
<td>7,193,000</td>
<td>7,488,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>304,940,000</td>
<td>110,960,000</td>
<td>415,900,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>537,475,000</td>
<td>139,857,000</td>
<td>677,332,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>586,956,000</td>
<td>148,873,000</td>
<td>735,829,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

| Deferred outflows of resources             | $ 2,367,000 |                                | $ 2,367,000 |

### Liabilities

| Current liabilities:                      |        |                                 |       |
| Accounts payable                          | 4,606,000 | 1,240,000                      | 5,846,000 |
| Accrued salaries and benefits             | 3,854,000 | 126,000                        | 3,980,000 |
| Accrued compensated absences, current     | 2,257,000 | 16,000                         | 2,273,000 |
| Unearned revenue                          | 1,866,000 | 16,000                         | 1,882,000 |
| Capitalized lease obligations, current     | 2,097,000 | 1,380,000                      | 3,477,000 |
| Long-term debt obligations, current       | 3,832,000 | 884,000                        | 4,716,000 |
| Claims liability for losses and            |        |                                 |       |
| loss adjustment expenses, current         |        |                                 |       |
| Depository accounts, current              |        |                                 |       |
| Other liabilities                         | 4,868,000 | 3,931,000                      | 8,869,000 |
| **Total current liabilities**             | 23,198,000 | 7,593,000                      | 30,791,000 |

| Noncurrent liabilities:                   |        |                                 |       |
| Accrued compensated absences, net, current| 2,335,000 | 160,000                        | 2,495,000 |
| Unearned revenue                          |        |                                 |       |
| Capitalized lease obligations, net, current| 6,620,000 | 135,356,000                   | 141,976,000 |
| Long-term debt obligations, net, current  | 266,518,000 | 60,648,000                 | 327,166,000 |
| Claims liability for losses and            |        |                                 |       |
| loss adjustment expenses, net, current    |        |                                 |       |
| Depository accounts                       |        |                                 |       |
| Other postemployment benefits obligation  |        |                                 |       |
| Other liabilities                         |        |                                 |       |
| **Total noncurrent liabilities**          | 275,473,000 | 196,966,000                  | 472,439,000 |
| **Total liabilities**                     | 298,671,000 | 204,559,000                  | 503,230,000 |

### Deferred Inflows of Resources

| Deferred inflows of resources             |        |                                 |       |

### Net Position

| Net position:                             |        |                                 |       |
| Net investment in capital assets          | 167,832,000 | (21,100,000)                | 146,732,000 |
| Restricted for:                           |        |                                 |       |
| Nonexpendable – endowments                |        |                                 |       |
| Expendable:                               |        |                                 |       |
| Scholarships and fellowships              | 4,000  | 983,000                        | 987,000  |
| Research                                 |        |                                 |       |
| Loans                                    |        |                                 |       |
| Capital projects                         | 31,378,000 |                                | 31,378,000 |
| Debt service                             |        |                                 |       |
| Other                                    | 231,000  | 15,222,000                     | 15,453,000 |
| Unrestricted                             | 91,207,000 | (58,129,000)                | 33,078,000 |
| **Total net position**                   | $ 290,652,000 | (55,686,000)               | 234,966,000 |

See accompanying independent auditors’ report.
## Supplementary Schedule

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

### Revenues:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $9,883,000)</td>
<td>$27,872,000</td>
<td>1,127,000</td>
<td>0</td>
<td>28,999,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>3,428,000</td>
<td></td>
<td>0</td>
<td>3,428,000</td>
</tr>
<tr>
<td>State</td>
<td>989,000</td>
<td></td>
<td>0</td>
<td>989,000</td>
</tr>
<tr>
<td>Local</td>
<td>16,000</td>
<td></td>
<td>0</td>
<td>16,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>632,000</td>
<td></td>
<td>0</td>
<td>632,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $2,599,000)</td>
<td>10,518,000</td>
<td></td>
<td>0</td>
<td>10,518,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>1,575,000</td>
<td></td>
<td>27,382,000</td>
<td>28,957,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>45,030,000</td>
<td>28,509,000</td>
<td>0</td>
<td>73,539,000</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>36,051,000</td>
<td>971,000</td>
<td>(84,000)</td>
<td>36,938,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,460,000</td>
<td>7,000</td>
<td>0</td>
<td>1,467,000</td>
</tr>
<tr>
<td>Public service</td>
<td>26,000</td>
<td>3,082,000</td>
<td>0</td>
<td>3,108,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>9,880,000</td>
<td>32,000</td>
<td>0</td>
<td>9,912,000</td>
</tr>
<tr>
<td>Student services</td>
<td>10,767,000</td>
<td>979,000</td>
<td>0</td>
<td>11,746,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>13,582,000</td>
<td>2,726,000</td>
<td>0</td>
<td>16,308,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>15,939,000</td>
<td>82,000</td>
<td>0</td>
<td>16,021,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>10,296,000</td>
<td>333,000</td>
<td>0</td>
<td>10,629,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>7,531,000</td>
<td>14,068,000</td>
<td>0</td>
<td>21,599,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>11,064,000</td>
<td>4,768,000</td>
<td>0</td>
<td>15,832,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>116,596,000</td>
<td>27,048,000</td>
<td>(84,000)</td>
<td>143,560,000</td>
</tr>
</tbody>
</table>

### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>55,031,000</td>
<td></td>
<td>0</td>
<td>55,031,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>10,482,000</td>
<td></td>
<td>0</td>
<td>10,482,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>5,949,000</td>
<td></td>
<td>0</td>
<td>5,949,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>55,031,000</td>
<td></td>
<td>0</td>
<td>55,031,000</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>10,482,000</td>
<td></td>
<td>0</td>
<td>10,482,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>5,949,000</td>
<td></td>
<td>0</td>
<td>5,949,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>84,000</td>
<td>1,408,000</td>
<td>(25,000)</td>
<td>1,467,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>304,000</td>
<td>1,905,000</td>
<td>0</td>
<td>2,209,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>13,071,000</td>
<td>(6,674,000)</td>
<td>0</td>
<td>(9,775,000)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues</strong></td>
<td>4,795,000</td>
<td>4,980,000</td>
<td>0</td>
<td>9,775,000</td>
</tr>
</tbody>
</table>

### Net nonoperating revenues:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (loss) before other revenues and expenses</td>
<td>(7,992,000)</td>
<td>3,166,000</td>
<td>59,000</td>
<td>(4,767,000)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>37,961,000</td>
<td></td>
<td>0</td>
<td>37,961,000</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>69,000</td>
<td>(59,000)</td>
<td>0</td>
<td>10,000</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>207,000</td>
<td></td>
<td>0</td>
<td>207,000</td>
</tr>
<tr>
<td><strong>Increase in net position</strong></td>
<td>30,038,000</td>
<td>3,373,000</td>
<td>0</td>
<td>33,411,000</td>
</tr>
</tbody>
</table>

### Net position:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at beginning of year, as previously reported</td>
<td>260,614,000</td>
<td>(59,059,000)</td>
<td>0</td>
<td>201,555,000</td>
</tr>
<tr>
<td>Restatements</td>
<td>260,614,000</td>
<td>(59,059,000)</td>
<td>0</td>
<td>201,555,000</td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>260,614,000</td>
<td>(59,059,000)</td>
<td>0</td>
<td>201,555,000</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>$290,652,000</td>
<td>(55,686,000)</td>
<td>0</td>
<td>234,966,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows

Year ended June 30, 2014

Cash flows from operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$28,940,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>3,555,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>989,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>16,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>632,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(23,938,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(71,241,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(10,296,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Payments to students</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>—</td>
</tr>
<tr>
<td>Other payments</td>
<td>—</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(61,434,000)</td>
</tr>
</tbody>
</table>

Cash flows from noncapital financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>55,031,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>10,482,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>5,949,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>84,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>—</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>—</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>4,124,000</td>
</tr>
<tr>
<td>Net cash provided by noncapital financing activities</td>
<td>76,473,000</td>
</tr>
</tbody>
</table>

Cash flows from capital and related financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>24,995,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>2,990,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>5,803,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>69,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(10,343,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(24,865,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(5,223,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(13,178,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>1,060,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>6,720,000</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>690,000</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>2,727,000</td>
</tr>
<tr>
<td>Net cash used in capital and related financing activities</td>
<td>(8,755,000)</td>
</tr>
</tbody>
</table>
Supplementary Schedule

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows
Year ended June 30, 2014

| Campus |
|-----------------|-----------------|
| Cash flows from investing activities: | 
| Proceeds from sales of investments | $158,972,000 |
| Purchases of investments | (165,289,000) |
| Investment income proceeds | — |
| Net cash used in investing activities | (6,317,000) |
| Net decrease in cash and cash equivalents | (33,000) |
| Cash and cash equivalents at beginning of year | 39,000 |
| Cash and cash equivalents at end of year | $6,000 |

| Summary of cash and cash equivalents at end of year: |
|--------|--------|
| Cash and cash equivalents | $6,000 |
| Restricted cash and cash equivalents | — |
| Total cash and cash equivalents at end of year | $6,000 |

| Reconciliation of operating loss to net cash used in operating activities: |
| Operating loss | $ (71,566,000) |
| Adjustments to reconcile operating loss to net cash used in operating activities: |
| Depreciation and amortization | 11,064,000 |
| Change in assets and liabilities: |
| Accounts receivable, net | 595,000 |
| Notes receivable | — |
| Student loans receivable, net | — |
| Pledges receivable, net | — |
| Prepaid expenses and other assets | 508,000 |
| Accounts payable | (1,780,000) |
| Accrued salaries and benefits | 458,000 |
| Accrued compensated absences | 870,000 |
| Unearned revenue | (903,000) |
| Depository accounts | — |
| Other postemployment benefits obligation | — |
| Other liabilities | (680,000) |
| Net cash used in operating activities | $ (61,434,000) |

| Supplemental schedule of noncash transactions: |
| Amortization of net bond premium | $933,000 |
| Change in accrued capital asset purchases | 112,000 |

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Statement of Net Position
**June 30, 2014**

**Discretely presented component**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 5,000</td>
<td>2,154,000</td>
<td>2,159,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>119,107,000</td>
<td>27,925,000</td>
<td>147,032,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,915,000</td>
<td>7,343,000</td>
<td>10,258,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,296,000</td>
<td>608,000</td>
<td>1,904,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>123,323,000</td>
<td>38,032,000</td>
<td>161,355,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>323,000</td>
<td>323,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>43,318,000</td>
<td>—</td>
<td>43,318,000</td>
</tr>
<tr>
<td>Leases receivable, net, of current portion</td>
<td>—</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>4,860,000</td>
<td>550,000</td>
<td>5,410,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>693,000</td>
<td>693,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>9,127,000</td>
<td>35,519,000</td>
<td>44,646,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>280,481,000</td>
<td>15,875,000</td>
<td>296,356,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>337,788,000</td>
<td>89,978,000</td>
<td>427,766,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>461,111,000</td>
<td>128,010,000</td>
<td>589,121,000</td>
</tr>
</tbody>
</table>

**Deferred Outflows of Resources**

| Deferred outflows of resources              | 427,000      | —                                    | 427,000     |

**Liabilities**

| Current liabilities:                       |              |                                      |             |
| Accounts payable                           | 7,019,000    | 2,994,000                            | 10,013,000  |
| Accrued salaries and benefits              | 11,308,000   | 1,209,000                            | 12,517,000  |
| Accrued compensated absences, current portion | 4,712,000    | 266,000                              | 4,978,000   |
| Unearned revenue                           | 6,384,000    | 184,000                              | 6,568,000   |
| Long-term debt obligations, current portion | 19,000       | —                                    | 19,000      |
| Claims liability for losses and loss adjustment expenses, current portion | 3,720,000    | 1,171,000                            | 4,891,000   |
| Depository accounts, current portion       | 145,000      | —                                    | 145,000     |
| Other liabilities                          | 2,006,000    | 608,000                              | 2,614,000   |
| **Total current liabilities**              | 35,313,000   | 6,432,000                            | 41,745,000  |

| Noncurrent liabilities:                    |              |                                      |             |
| Accrued compensated absences, net, of current portion | 2,394,000    | 111,000                              | 2,505,000   |
| Unearned revenue                           | 6,384,000    | 184,000                              | 6,568,000   |
| Long-term debt obligations, net, of current portion | 19,000       | —                                    | 19,000      |
| Claims liability for losses and loss adjustment expenses, net of current portion | 3,720,000    | 1,171,000                            | 4,891,000   |
| Depository accounts                        | 145,000      | —                                    | 145,000     |
| Other postemployment benefits obligation   | 5,403,000    | 1,860,000                            | 7,263,000   |
| Other liabilities                          | 2,006,000    | 608,000                              | 2,614,000   |
| **Total noncurrent liabilities**           | 160,376,000  | 9,868,000                            | 170,244,000 |

**Deferred Inflows of Resources**

| Deferred inflows of resources               |              |                                      |             |

**Net Position**

| Net position:                               |              |                                      |             |
| Net investment in capital assets            |              |                                      |             |
| Restricted for:                             |              |                                      |             |
| Nonexpendable - endowments                  | —            | 36,112,000                           | 36,112,000  |
| Expendable:                                 |              |                                      |             |
| Scholarships and fellowships                | —            | 18,207,000                           | 18,207,000  |
| Research                                   | —            | 1,096,000                            | 1,096,000   |
| Loans                                      | —            | 600,000                              | 600,000     |
| Capital projects                           | 41,559,000   | 707,000                              | 42,266,000  |
| Debt service                               | —            |                                      |             |
| Other                                      | 1,000        | 10,293,000                           | 10,293,000  |
| Unrestricted                               | 91,930,000   | 32,636,000                           | 124,566,000 |
| **Total net position**                     | $ 265,849,000| 111,710,000                          | 377,559,000 |

See accompanying independent auditors’ report.
# Statement of Revenues, Expenses, and Changes in Net Position

## Year ended June 30, 2014

### Revenues:

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

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows

Year ended June 30, 2014

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

Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from investing activities:</td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income proceeds</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
</tr>
</tbody>
</table>

| Summary of cash and cash equivalents at end of year: |
| Cash and cash equivalents | $5,000 |
| Restricted cash and cash equivalents | — |
| **Total cash and cash equivalents at end of year** | **$5,000** |

| Reconciliation of operating loss to net cash used in operating activities: |
| Operating loss | $136,950,000 |
| Adjustments to reconcile operating loss to net cash used in operating activities: |
| Depreciation and amortization | 14,746,000 |
| Change in assets and liabilities: |
| Accounts receivable, net | (286,000) |
| Notes receivable | — |
| Student loans receivable, net | — |
| Pledges receivable, net | — |
| Prepaid expenses and other assets | 165,000 |
| Accounts payable | 1,366,000 |
| Accrued salaries and benefits | 195,000 |
| Accrued compensated absences | 212,000 |
| Unearned revenue | 676,000 |
| Depository accounts | — |
| Other postemployment benefits obligation | 768,000 |
| Other liabilities | 476,000 |
| **Net cash used in operating activities** | **$118,632,000** |

| Supplemental schedule of noncash transactions: |
| Change in accrued capital asset purchases | $1,769,000 |
| Amortization of net bond premium | 121,000 |
| Capital assets paid by the Office of the Chancellor | 81,000 |
| Amortization of loss on debt refundings | 36,000 |
| Contributed capital assets | 14,000 |
| Gifts in kind | 1,000 |

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
## Statement of Net Position

**June 30, 2014**

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 2,000</td>
<td>1,428,000</td>
<td>1,430,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>72,610,000</td>
<td>5,687,000</td>
<td>78,297,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>6,146,000</td>
<td>1,543,000</td>
<td>7,689,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>560,000</td>
<td>66,000</td>
<td>626,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>79,318,000</td>
<td>8,724,000</td>
<td>88,042,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>344,000</td>
<td>344,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>—</td>
<td>224,000</td>
<td>224,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>921,000</td>
<td></td>
<td>921,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>13,157,000</td>
<td>13,157,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>338,000</td>
<td>7,268,000</td>
<td>7,606,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>158,340,000</td>
<td>803,000</td>
<td>159,143,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>3,000</td>
<td>—</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>159,602,000</td>
<td>21,796,000</td>
<td>181,398,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>238,920,000</td>
<td>30,520,000</td>
<td>269,440,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

|                        |                      |                                     |           |
| **Deferred outflows of resources** | 556,000            |                                     | 556,000   |

### Liabilities

|                        |                      |                                     |           |
| **Current liabilities:** |                       |                                     |           |
| Accounts payable | 3,359,000          | 1,899,000                           | 5,258,000 |
| Accrued salaries and benefits | 7,614,000         | 6,000                              | 7,620,000 |
| Accrued compensated absences, current portion | 2,610,000        | 186,000                            | 2,796,000 |
| Unearned revenue | 6,068,000          | 100,000                            | 6,168,000 |
| Capitalized lease obligations, current portion | 1,463,000       | —                                  | 1,463,000 |
| Long-term debt obligations, current portion | 1,225,000        | 10,000                             | 1,235,000 |
| Claims liability for losses and loss adjustment expenses, current portion | —                | —                                  | —         |
| Depository accounts, current portion | 55,000             | —                                  | 55,000    |
| Other liabilities | 1,459,000          | 40,000                             | 1,499,000 |
| **Total current liabilities** | 23,853,000        | 2,241,000                          | 26,094,000|
| **Noncurrent liabilities:** |                       |                                     |           |
| Accrued compensated absences, net of current portion | 3,216,000        | 12,000                             | 3,228,000 |
| Unearned revenue | 1,284,000          | —                                  | 1,284,000 |
| Capitalized lease obligations, net of current portion | 423,000           | —                                  | 423,000   |
| Long-term debt obligations, net of current portion | 26,146,000       | 201,000                            | 26,347,000|
| Claims liability for losses and loss adjustment expenses, net of current portion | —                | —                                  | —         |
| Depository accounts | —                   | 498,000                            | 498,000   |
| Other postemployment benefits obligation | 3,868,000        | 3,757,000                          | 7,625,000 |
| Other liabilities | 406,000           | —                                  | 406,000   |
| **Total noncurrent liabilities** | 34,937,000        | 4,779,000                          | 39,716,000|
| **Total liabilities** | 58,790,000         | 7,020,000                          | 65,810,000|

### Deferred Inflows of Resources

|                        |                      |                                     |           |
| **Deferred inflows of resources** | —                | —                                  | —         |

### Net Position

|                        |                      |                                     |           |
| **Net position:** | $ 180,686,000        | 23,500,000                          | 204,186,000|

See accompanying independent auditors’ report.
### Statement of Revenues, Expenses, and Changes in Net Position

#### Year ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $38,380,000)</td>
<td>$52,420,000</td>
<td>3,933,000</td>
<td></td>
<td>56,353,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>370,000</td>
<td>205,000</td>
<td></td>
<td>575,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>7,285,000</td>
<td>4,444,000</td>
<td></td>
<td>11,729,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>3,175,000</td>
<td>382,000</td>
<td></td>
<td>3,557,000</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>63,250,000</td>
<td>23,191,000</td>
<td></td>
<td>86,441,000</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>56,969,000</td>
<td>4,505,000</td>
<td></td>
<td>61,474,000</td>
</tr>
<tr>
<td>Research</td>
<td></td>
<td>4,626,000</td>
<td></td>
<td>4,626,000</td>
</tr>
<tr>
<td>Public service</td>
<td>74,000</td>
<td></td>
<td>74,000</td>
<td></td>
</tr>
<tr>
<td>Academic support</td>
<td>18,618,000</td>
<td>2,170,000</td>
<td>(338,000)</td>
<td>19,918,000</td>
</tr>
<tr>
<td>Student services</td>
<td>18,086,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional support</td>
<td>20,587,000</td>
<td>1,329,000</td>
<td></td>
<td>21,916,000</td>
</tr>
<tr>
<td>Operation and maintenence of plant</td>
<td>16,637,000</td>
<td>5,063,000</td>
<td></td>
<td>21,700,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>41,248,000</td>
<td>3,960,000</td>
<td></td>
<td>45,208,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>5,412,000</td>
<td>3,557,000</td>
<td></td>
<td>5,412,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>8,779,000</td>
<td>122,000</td>
<td></td>
<td>8,901,000</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>186,410,000</td>
<td>24,352,000</td>
<td>(338,000)</td>
<td>210,424,000</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(123,160,000)</td>
<td>(1,161,000)</td>
<td></td>
<td>(123,983,000)</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>64,214,000</td>
<td>34,349,000</td>
<td></td>
<td>98,563,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>34,349,000</td>
<td>16,475,000</td>
<td></td>
<td>50,824,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>16,475,000</td>
<td>16,475,000</td>
<td></td>
<td>32,950,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>937,000</td>
<td>937,000</td>
<td></td>
<td>1,874,000</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>937,000</td>
<td>937,000</td>
<td></td>
<td>1,874,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>127,000</td>
<td>1,018,000</td>
<td>(127,000)</td>
<td>1,018,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>614,000</td>
<td>18,000</td>
<td></td>
<td>632,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>(1,275,000)</td>
<td>(10,000)</td>
<td></td>
<td>(1,285,000)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>2,548,000</td>
<td></td>
<td>2,548,000</td>
<td></td>
</tr>
<tr>
<td>Net nonoperating revenues</td>
<td>117,989,000</td>
<td>3,360,000</td>
<td>(127,000)</td>
<td>121,222,000</td>
</tr>
<tr>
<td>Income (loss) before other revenues and expenses</td>
<td>(5,171,000)</td>
<td>2,199,000</td>
<td>211,000</td>
<td>(2,761,000)</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>211,000</td>
<td>(211,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reductions to permanent endowments</td>
<td></td>
<td></td>
<td></td>
<td>(509,000)</td>
</tr>
<tr>
<td>Increase (decrease) in net position</td>
<td>(4,960,000)</td>
<td>1,690,000</td>
<td></td>
<td>(3,270,000)</td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as previously reported</td>
<td>185,646,000</td>
<td>22,235,000</td>
<td></td>
<td>207,881,000</td>
</tr>
<tr>
<td>Restatements</td>
<td></td>
<td>(425,000)</td>
<td></td>
<td>(425,000)</td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>185,646,000</td>
<td>21,810,000</td>
<td></td>
<td>207,456,000</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>180,866,000</td>
<td>23,500,000</td>
<td></td>
<td>204,186,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Cash Flows
### Year ended June 30, 2014

### Campus

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$ 52,854,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(27,455,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(105,826,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(41,114,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>160,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>370,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>7,248,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>3,143,000</td>
</tr>
</tbody>
</table>

**Net cash used in operating activities**

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>64,214,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>34,349,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>16,567,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>937,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>27,000</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>127,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>55,325,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(55,222,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>2,612,000</td>
</tr>
</tbody>
</table>

**Net cash provided by noncapital financing activities**

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>9,382,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(5,041,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(9,337,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(2,578,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(1,277,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

**Net cash used in capital and related financing activities**

### (Continued)
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>$222,434,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(222,386,000)</td>
</tr>
<tr>
<td>Investment income proceeds</td>
<td>417,000</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>465,000</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(70,000)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>72,000</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of cash and cash equivalents at end of year:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td>Total cash and cash equivalents at end of year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of operating loss to net cash used in operating activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
</tr>
<tr>
<td>Notes receivable</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
</tr>
<tr>
<td>Unearned revenue</td>
</tr>
<tr>
<td>Depository accounts</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
</tr>
<tr>
<td>Other liabilities</td>
</tr>
</tbody>
</table>

| Net cash used in operating activities | $110,620,000 |

<table>
<thead>
<tr>
<th>Supplemental schedule of noncash transactions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of loss on debt refundings</td>
</tr>
<tr>
<td>Contributed capital assets</td>
</tr>
<tr>
<td>Amortization of net bond premium</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALEFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
### Transactions with Related Entities
#### Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Statement of Net Position

**June 30, 2014**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$19,000</td>
<td>970,000</td>
<td>989,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>102,323,000</td>
<td>32,290,000</td>
<td>134,613,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,626,000</td>
<td>6,141,000</td>
<td>11,767,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>749,000</td>
<td>749,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>950,000</td>
<td>11,000</td>
<td>961,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>108,918,000</td>
<td>40,161,000</td>
<td>149,079,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>31,466,000</td>
<td></td>
<td>31,466,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td></td>
<td>3,017,000</td>
<td>3,017,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>225,892,000</td>
<td>4,773,000</td>
<td>230,665,000</td>
</tr>
<tr>
<td>other long-term investments</td>
<td>1,128,000</td>
<td></td>
<td>1,128,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>16,452,000</td>
<td>16,452,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>261,503,000</td>
<td>16,452,000</td>
<td>277,955,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>370,421,000</td>
<td>56,613,000</td>
<td>427,034,000</td>
</tr>
</tbody>
</table>

**Deferred Outflows of Resources**

| Liabilities | | |
| Deferred outflows of resources | | 774,000 | 774,000 |

**Current liabilities:**

| | | |
| Accounts payable | 8,396,000 | 4,182,000 | 12,578,000 |
| Accrued salaries and benefits | 9,063,000 | 596,000 | 9,659,000 |
| Accrued compensated absences, current portion | 4,496,000 | 41,000 | 4,537,000 |
| Unearned revenue | 5,900,000 | 2,320,000 | 8,220,000 |
| Capitalized lease obligations, current portion | 19,000 | | 19,000 |
| Long-term debt obligations, current portion | 3,445,000 | 200,000 | 3,645,000 |
| Claims liability for losses and loss adjustment expenses, current portion | | | |
| Depository accounts, current portion | 205,000 | 6,264,000 | 6,469,000 |
| Other liabilities | 1,157,000 | 21,000 | 1,178,000 |
| **Total current liabilities** | 32,681,000 | 13,624,000 | 46,305,000 |

**Noncurrent liabilities:**

| | | |
| Accrued compensated absences, net of current portion | 2,642,000 | | 2,642,000 |
| Unearned revenue | | 586,000 | 586,000 |
| Grants refundable | 4,141,000 | | 4,141,000 |
| Capitalized lease obligations, net of current portion | 65,000 | | 65,000 |
| Long-term debt obligations, net of current portion | 111,003,000 | 2,860,000 | 113,863,000 |
| Claims liability for losses and loss adjustment expenses, net of current portion | | | |
| Depository accounts | | | |
| Other postemployment benefits obligation | 2,618,000 | 1,675,000 | 4,313,000 |
| Other liabilities | 1,120,000 | | 1,120,000 |
| **Total noncurrent liabilities** | 121,609,000 | 5,121,000 | 126,730,000 |

**Deferred Inflows of Resources**

| Net Position | | |
| Deferred inflows of resources | | | |

**Net position:**

| | | |
| Net investment in capital assets | 112,133,000 | 1,713,000 | 113,846,000 |
| Restricted for: Nonexpendable – endowments | | 10,813,000 | 10,813,000 |
| Expendable: Scholarships and fellowships | 751,000 | 2,512,000 | 3,263,000 |
| Research | 443,000 | | 443,000 |
| Loans | 29,603,000 | | 29,603,000 |
| Capital projects | | | |
| Debt service | | | |
| Other | 1,278,000 | 3,295,000 | 4,573,000 |
| **Unrestricted** | 72,697,000 | 19,535,000 | 92,232,000 |
| **Total net position** | $216,905,000 | 37,868,000 | 254,773,000 |

See accompanying independent auditors’ report.
TABLE 1. Discretely Presented Component of Revenues, Expenses, and Changes in Net Position

<table>
<thead>
<tr>
<th>Campus</th>
<th>Discretely Presented Component Units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $41,406,000)</td>
<td>$89,493,000</td>
<td>3,733,000</td>
<td>—</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>13,914,000</td>
<td>—</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>1,261,000</td>
<td>—</td>
</tr>
<tr>
<td>Local</td>
<td>187,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>3,480,000</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>176,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $6,317,000)</td>
<td>8,205,000</td>
<td>1,004,000</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>8,206,000</td>
<td>79,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>106,267,000</td>
<td>23,471,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>75,213,000</td>
<td>—</td>
<td>(22,000)</td>
</tr>
<tr>
<td>Research</td>
<td>685,000</td>
<td>18,655,000</td>
<td>—</td>
</tr>
<tr>
<td>Public service</td>
<td>25,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Academic support</td>
<td>26,260,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student services</td>
<td>25,013,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>26,949,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>26,136,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>19,771,000</td>
<td>102,000</td>
<td>—</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>8,671,000</td>
<td>5,062,000</td>
<td>(1,494,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>12,724,000</td>
<td>4,193,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>221,447,000</td>
<td>23,997,000</td>
<td>(1,516,000)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(115,180,000)</td>
<td>(526,000)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>70,786,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>27,921,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>15,763,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>402,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>1,525,000</td>
<td>643,000</td>
<td>—</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>1,136,000</td>
<td>4,193,000</td>
<td>—</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>—</td>
<td>131,000</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(5,564,000)</td>
<td>(452,000)</td>
<td>—</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>3,160,000</td>
<td>(328,000)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>115,129,000</td>
<td>4,187,000</td>
<td>(1,516,000)</td>
</tr>
<tr>
<td>Income (loss) before other revenues and expenses</td>
<td>(51,000)</td>
<td>3,661,000</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>35,107,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>35,107,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>—</td>
<td>608,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Increase in net position</strong></td>
<td>35,056,000</td>
<td>4,269,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net position:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as previously reported</td>
<td>181,849,000</td>
<td>33,599,000</td>
<td>—</td>
</tr>
<tr>
<td>Restatements</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>181,849,000</td>
<td>33,599,000</td>
<td>—</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>$216,905,000</td>
<td>37,868,000</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Student tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
</tr>
</tbody>
</table>

(Continued)
CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows

Year ended June 30, 2014

Cash flows from investing activities:

Proceeds from sales of investments $ 284,312,000
Purchases of investments (299,672,000)
Investment income proceeds 969,000

Net cash used in investing activities (14,391,000)

Net increase in cash and cash equivalents 1,000

Cash and cash equivalents at beginning of year 18,000

Cash and cash equivalents at end of year $ 19,000

Summary of cash and cash equivalents at end of year:

Cash and cash equivalents $ 19,000
Restricted cash and cash equivalents —

Total cash and cash equivalents at end of year $ 19,000

Reconciliation of operating loss to net cash used in operating activities:

Operating loss $ (115,180,000)

Adjustments to reconcile operating loss to net cash used in operating activities:

Depreciation and amortization 12,724,000
Change in assets and liabilities:

Accounts receivable, net 461,000
Notes receivable —
Student loans receivable, net 3,000
Pledges receivable, net —
Prepaid expenses and other assets 725,000
Accounts payable 1,892,000
Accrued salaries and benefits 1,112,000
Accrued compensated absences 600,000
Unearned revenue (1,972,000)
Depository accounts —
Other postemployment benefits obligation 626,000
Other liabilities (17,000)

Net cash used in operating activities $ (99,026,000)

Supplemental schedule of noncash transactions:

Capital assets paid by the Office of the Chancellor $ 891,000
Amortization of net bond premium 269,000
Investment income automatically reinvested 209,000
Change in accrued capital asset purchases 225,000
Amortization of loss on debt refundings 66,000

See accompanying independent auditors’ report.
# CALIFORNIA STATE UNIVERSITY, EAST BAY

## Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Statement of Net Position

#### June 30, 2014

**Discretely presented component units**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 13,000</td>
<td>23,291,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>103,057,000</td>
<td>168,295,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,759,000</td>
<td>24,998,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>4,485,000</td>
<td>4,485,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>6,092,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,061,000</td>
<td>4,240,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>117,375,000</td>
<td>240,173,000</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>38,000</td>
<td>76,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>56,355,000</td>
<td>56,355,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>3,243,000</td>
<td>3,533,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>21,366,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>838,000</td>
<td>153,529,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>567,000</td>
<td>6,297,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>205,864,000</td>
<td>304,979,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,000</td>
<td>3,800</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>266,907,000</td>
<td>550,088,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>384,282,000</td>
<td>790,261,000</td>
</tr>
</tbody>
</table>

**Deferred Outflows of Resources**

| Deferred outflows of resources            | 303,000        | 802,000       |

**Liabilities**

| Current liabilities:                     |                |               |
| Accounts payable                         | 2,608,000      | 7,662,000     |
| Accrued salaries and benefits            | 15,524,000     | 18,143,000    |
| Accrued compensated absences, current portion | 4,935,000     | 5,262,000     |
| Unearned revenue                         | 1,975,000      | 18,621,000    |
| Capitalized lease obligations, current portion | 370,000       | 9,450,000     |
| Long-term debt obligations, current portion | 5,487,000     | 5,939,000     |
| Claims liability for losses and loss adjustment expenses, current portion |            |               |
| Depository accounts, current portion     |                | 233,000       |
| Other liabilities                        | 1,696,000      | 2,426,000     |
| **Total current liabilities**            | 32,595,000     | 67,736,000    |
| Noncurrent liabilities:                  |                |               |
| Accrued compensated absences, net of current portion | 5,396,000   | 6,415,000     |
| Unearned revenue                         | 3,887,000      | 3,887,000     |
| Capitalized lease obligations, net of current portion | 284,000       | 56,355,000    |
| Long-term debt obligations, net of current portion | 78,368,000    | 85,773,000    |
| Claims liability for losses and loss adjustment expenses, net of current portion |                |               |
| Depository accounts                      | 3,000          | 2,602,000     |
| Other postemployment benefits obligation | 1,880,000      | 2,169,000     |
| Other liabilities                        | 180,000        | 607,000       |
| **Total noncurrent liabilities**         | 89,998,000     | 158,092,000   |
| **Total liabilities**                    | 122,593,000    | 225,828,000   |

**Deferred Inflows of Resources**

| Deferred inflows of resources             | 485,000        | 485,000       |

**Net Position**

| Net position:                            |                |               |
| Net investment in capital assets         | 182,195,000    | 210,019,000   |
| Restricted for:                          |                |               |
| Nonexpendable – endowments               | 838,000        | 91,805,000    |
| Expendable:                              |                |               |
| Scholarships and fellowships             |                | 63,056,000    |
| Research                                |                |               |
| Loans                                   | 420,000        | 1,670,000     |
| Capital projects                         | 38,000         | 38,000        |
| Debt service                             | 67,000         | 10,048,000    |
| Other                                    |                | 46,302,000    |
| Unrestricted                             | 78,434,000     | 141,812,000   |
| **Total net position**                   | $ 261,992,000  | 564,750,000   |

See accompanying independent auditors’ report.
## Revenues:

### Operating revenues:

- **Student tuition and fees (net of scholarship allowances of $82,075,000)**: $73,948,000
- **Grants and contracts, noncapital**:
  - **Federal**: 51,000
  - **State**: 13,000
  - **Local**: —
  - **Nongovernmental**: —
- **Sales and services of educational activities**: 78,000
- **Sales and services of auxiliary enterprises (net of scholarship allowances of $0)**: 4,005,000
- **Other operating revenues**: 9,035,000

### Total operating revenues: $87,130,000

### Expenses:

- **Operating expenses**:
  - **Instruction**: 104,928,000
  - **Research**: 5,575,000
  - **Public service**: 5,575,000
  - **Academic support**: 30,236,000
  - **Student services**: 33,836,000
  - **Institutional support**: 27,764,000
  - **Operation and maintenance of plant**: 25,750,000
  - **Student grants and scholarships**: 51,394,000
  - **Auxiliary enterprise expenses**: 4,644,000
  - **Depreciation and amortization**: 16,687,000

### Total operating expenses: $302,359,000

### Net operating loss: $(215,229,000)

## Nonoperating revenues (expenses):

- **State appropriations, noncapital**: 114,278,000
- **Federal financial aid grants, noncapital**: 56,100,000
- **State financial aid grants, noncapital**: 34,726,000
- **Local financial aid grants, noncapital**: —
- **Nongovernmental and other financial aid grants, noncapital**: —
- **Other federal nonoperating grants, noncapital**: —
- **Gifts, noncapital**: 3,943,000
- **Investment income, net**: 4,460,000
- **Endowment income, net**: 4,000
- **Interest expense**: (4,122,000)

### Other nonoperating revenues: 3,030,000

### Net nonoperating revenues: $212,419,000

### Income (loss) before other revenues and expenses: $(2,810,000)

### State appropriations, capital:

### Grants and gifts, capital:

### Additions to permanent endowments:

### Increase in net position: 4,825,000

### Net position:

- **Net position at beginning of year, as previously reported**: 257,167,000
- **Restatements**: —
- **Net position at beginning of year, as restated**: 257,167,000
- **Net position at end of year**: $261,992,000

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows

Year ended June 30, 2014

Cash flows from operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$72,568,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>51,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>13,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(48,197,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(181,939,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(51,997,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>102,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>4,392,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>10,234,000</td>
</tr>
</tbody>
</table>

Net cash used in operating activities            (194,773,000)

Cash flows from noncapital financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>114,278,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>56,586,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>34,491,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>156,000</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>3,943,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>62,507,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(62,623,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>530,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(246,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>3,131,000</td>
</tr>
</tbody>
</table>

Net cash provided by noncapital financing activities 212,753,000

Cash flows from capital and related financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>7,072,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>57,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>32,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(7,828,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(7,039,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(7,097,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(4,141,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>4,595,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>3,182,000</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

Net cash used in capital and related financing activities (11,167,000)
CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows
Year ended June 30, 2014

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

CALIFORNIA STATE UNIVERSITY, FRESNO
Transactions with Related Entities
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Supplementary Schedule

**CALIFORNIA STATE UNIVERSITY, FULLERTON**

Statement of Net Position

**June 30, 2014**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,021,000</td>
<td>24,353,000</td>
<td>25,374,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>161,524,000</td>
<td>29,925,000</td>
<td>191,449,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>15,736,000</td>
<td>5,823,000</td>
<td>21,559,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>120,000</td>
<td>1,685,000</td>
<td>1,805,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>1,026,000</td>
<td>1,026,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>2,631,000</td>
<td>2,989,000</td>
<td>5,620,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>5,000,000</td>
<td>864,000</td>
<td>5,864,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>181,032,000</td>
<td>68,304,000</td>
<td>249,336,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>2,812,000</td>
<td>2,812,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>5,650,000</td>
<td>23,600,000</td>
<td>29,250,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>2,071,000</td>
<td>2,071,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>4,469,000</td>
<td>—</td>
<td>4,469,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>6,981,000</td>
<td>6,981,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>47,544,000</td>
<td>47,544,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>35,691,000</td>
<td>3,045,000</td>
<td>38,736,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>546,213,000</td>
<td>56,187,000</td>
<td>602,400,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>5,000,000</td>
<td>864,000</td>
<td>5,864,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>597,023,000</td>
<td>143,104,000</td>
<td>740,127,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>778,055,000</td>
<td>211,408,000</td>
<td>989,463,000</td>
</tr>
</tbody>
</table>

| Deferred Outflows of Resources | | | |
| Deferred outflows of resources | 2,149,000 | — | 2,149,000 |

| Liabilities | | | |
| Accounts payable | 14,101,000 | 5,841,000 | 19,942,000 |
| Accrued salaries and benefits | 26,017,000 | 107,000 | 26,124,000 |
| Accrued compensated absences, current portion | 6,939,000 | 439,000 | 7,378,000 |
| Unearned revenue | 13,282,000 | 132,000 | 13,414,000 |
| Capitalized lease obligations, current portion | 1,657,000 | — | 1,657,000 |
| Long-term debt obligations, current portion | 8,485,000 | 2,129,000 | 10,614,000 |
| Claims liability for losses and loss adjustment expenses, current portion | — | — | — |
| Depository accounts, current portion | 351,000 | — | 351,000 |
| Other liabilities | 16,133,000 | 7,538,000 | 23,671,000 |
| **Total current liabilities** | 86,965,000 | 16,186,000 | 103,151,000 |
| **Noncurrent liabilities:** | | | |
| Restricted cash and cash equivalents | — | — | — |
| Accounts receivable, net | — | — | — |
| Leases receivable, net of current portion | 6,939,000 | 439,000 | 7,378,000 |
| Notes receivable, net of current portion | — | 2,071,000 | 2,071,000 |
| Student loans receivable, net | 13,282,000 | 132,000 | 13,414,000 |
| Pledges receivable, net | — | 6,981,000 | 6,981,000 |
| Endowment investments | — | 47,544,000 | 47,544,000 |
| Other long-term investments | 35,691,000 | 3,045,000 | 38,736,000 |
| Capital assets, net | 546,213,000 | 56,187,000 | 602,400,000 |
| Depository accounts, net | — | — | — |
| Other liabilities | 6,744,000 | 9,551,000 | 16,295,000 |
| **Total noncurrent liabilities** | 520,913,000 | 87,588,000 | 608,491,000 |
| **Total liabilities** | 607,878,000 | 103,754,000 | 711,632,000 |

| Deferred Inflows of Resources | | | |
| Deferred inflows of resources | — | — | — |

| Net Position | | | |
| Net position: | | | |
| Net investment in capital assets | 243,570,000 | (4,098,000) | 239,472,000 |
| Restricted for: | | | |
| Nonexpendable – endowments | — | 48,414,000 | 48,414,000 |
| Expendable: | | | |
| Scholarships and fellowships | — | 3,016,000 | 3,016,000 |
| Research | — | — | — |
| Loans | 240,000 | — | 240,000 |
| Capital projects | 3,771,000 | — | 3,771,000 |
| Debt service | 245,000 | — | 245,000 |
| Other | 121,000 | 21,584,000 | 21,705,000 |
| Unrestricted | 124,379,000 | 38,738,000 | 163,117,000 |
| **Total net position** | $372,326,000 | 107,654,000 | $479,980,000 |

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Position

*Year ended June 30, 2014*

### Revenues:
- **Operating revenues:**
  - Student tuition and fees (net of scholarship allowances of $80,409,000) $178,237,000
  - Federal
  - State
  - Local
  - Nongovernmental
  - Sales and services of auxiliary enterprises (net of scholarship allowances of $0) $38,061,000
  - Other operating revenues $15,641,000
  - Total operating revenues $231,939,000

- **Expenses:**
  - Instruction $183,218,000
  - Public service $7,182,000
  - Academic support $30,101,000
  - Student services $36,195,000
  - Institutional support $53,349,000
  - Operation and maintenance of plant $37,674,000
  - Student grants and scholarships $79,926,000
  - Auxiliary enterprise expenses $20,376,000
  - Depreciation and amortization $33,061,000
  - Total operating expenses $481,924,000

- **Operating loss** $(249,985,000)

- **Nonoperating revenues (expenses):**
  - State appropriations, noncapital $136,171,000
  - Federal financial aid grants, noncapital $66,303,000
  - State financial aid grants, noncapital $43,060,000
  - Local financial aid grants, noncapital $3,482,000
  - Nongovernmental and other financial aid grants, noncapital $481,000
  - Other federal nonoperating grants, noncapital $1,507,000
  - Gifts, noncapital $86,000
  - Investment income, net $1,514,000
  - Endowment income, net $1,514,000
  - Interest expense $(14,804,000)
  - Other nonoperating revenues $6,870,000
  - Net nonoperating revenues $241,188,000

- **Income (loss) before other revenues and expenses** $(8,797,000)

- **State appropriations, capital** $3,482,000

- **Grants and gifts, capital** $3,482,000

- **Additions to permanent endowments** $3,482,000

- **Increase (decrease) in net position** $(5,315,000)

- **Net position:**
  - Net position at beginning of year, as previously reported $377,641,000
  - Restatements $473,012,000
  - Net position at beginning of year, as restated $477,423,000
  - Net position at end of year $479,980,000

### See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, FULLERTON
Statement of Cash Flows
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$178,945,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(81,120,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(278,144,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(79,926,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>37,309,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>15,029,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(207,907,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>136,171,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>66,303,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>43,060,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>481,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>1,507,000</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>—</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>6,105,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(6,283,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>—</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>6,983,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>254,327,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>35,823,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>3,320,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(28,705,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(9,239,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(11,008,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(15,099,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>115,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(24,793,000)</td>
</tr>
</tbody>
</table>
Supplementary Schedule

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows

Year ended June 30, 2014

Cash flows from investing activities:

Proceeds from sales of investments $ 645,752,000
Purchases of investments (668,135,000)
Investment income proceeds 103,000

Net cash used in investing activities (22,280,000)

Net decrease in cash and cash equivalents (653,000)

Cash and cash equivalents at beginning of year 1,674,000

Cash and cash equivalents at end of year $ 1,021,000

Summary of cash and cash equivalents at end of year:

Cash and cash equivalents $ 1,021,000
Restricted cash and cash equivalents —

Total cash and cash equivalents at end of year $ 1,021,000

Reconciliation of operating loss to net cash used in operating activities:

Operating loss $ (249,985,000)

Adjustments to reconcile operating loss to net cash used in operating activities:

Depreciation and amortization 33,061,000
Change in assets and liabilities:

Accounts receivable, net (4,079,000)
Notes receivable —
Student loans receivable, net —
Pledges receivable, net —
Prepaid expenses and other assets 1,091,000
Accounts payable (171,000)
Accrued salaries and benefits 1,465,000
Accrued compensated absences 694,000
Unearned revenue (3,296,000)
Depository accounts —
Other postemployment benefits obligation 1,323,000
Other liabilities 11,990,000

Net cash used in operating activities $ (207,907,000)

Supplemental schedule of noncash transactions:

Change in accrued capital asset purchases $ 5,719,000
Amortization of net bond premium 700,000
Investment income automatically reinvested 209,000
Amortization of loss on debt refundings 168,000
Contributed capital assets 162,000
Gifts in kind 86,000

See accompanying independent auditors’ report.
## Supplementary Schedule

**CALIFORNIA STATE UNIVERSITY, FULLERTON**

**Transactions with Related Entities**

**Year ended June 30, 2014**

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

See accompanying independent auditors’ report.
**HUMBOLDT STATE UNIVERSITY**  
*Statement of Net Position*  
*June 30, 2014*

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely Presented Component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$12,000</td>
<td>2,727,000</td>
<td>2,739,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>40,790,000</td>
<td>13,613,000</td>
<td>54,403,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,068,000</td>
<td>5,606,000</td>
<td>6,674,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>23,000</td>
<td>23,000</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>86,000</td>
<td>86,000</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>912,000</td>
<td>373,000</td>
<td>1,285,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>42,782,000</td>
<td>22,428,000</td>
<td>65,210,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>522,000</td>
<td>566,000</td>
<td>566,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>3,398,000</td>
<td>3,398,000</td>
<td>3,398,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>87,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>1,560,000</td>
<td>26,640,000</td>
<td>28,200,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>1,157,000</td>
<td>6,639,000</td>
<td>7,796,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>200,510,000</td>
<td>2,477,000</td>
<td>202,987,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>35,000</td>
<td>38,000</td>
<td>73,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>207,182,000</td>
<td>36,447,000</td>
<td>243,629,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>249,964,000</td>
<td>58,875,000</td>
<td>308,839,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

|                      |        |                               |       |
| Deferred outflows of resources | 439,000 | — | 439,000 |

### Liabilities

|                      |        |                               |       |
| Current liabilities: |        |                               |       |
| Accounts payable | 1,616,000 | 1,356,000                     | 2,972,000 |
| Accrued salaries and benefits | 6,796,000 | 480,000                       | 7,276,000 |
| Accrued compensated absences, current portion | 3,515,000 | 219,000                      | 3,734,000 |
| Unearned revenue | 2,145,000 | 1,142,000                     | 3,287,000 |
| Capitalized lease obligations, current portion | 2,237,000 | — | 2,237,000 |
| Long-term debt obligations, current portion | 2,101,000 | 23,000                       | 2,124,000 |
| Claims liability for losses and loss adjustment expenses, current portion | — | — |
| Depository accounts, current portion | 122,000 | — | 122,000 |
| Other liabilities | 871,000 | 612,000                       | 1,483,000 |
| **Total current liabilities** | 19,403,000 | 3,832,000                  | 23,235,000 |
| **Noncurrent liabilities:** |        |                               |       |
| Accrued compensated absences, net of current portion | 1,788,000 | 46,000                       | 1,834,000 |
| Unearned revenue | 4,461,000 | — | 4,461,000 |
| Capitalized lease obligations, net of current portion | 3,295,000 | — | 3,295,000 |
| Long-term debt obligations, net of current portion | 54,533,000 | 2,566,000                    | 57,099,000 |
| Claims liability for losses and loss adjustment expenses, net of current portion | — | — |
| Depository accounts | — | — |
| Other postemployment benefits obligation | 3,058,000 | 1,198,000                   | 4,256,000 |
| Other liabilities | — | 526,000                       | 526,000 |
| **Total noncurrent liabilities** | 67,135,000 | 4,659,000                   | 71,794,000 |
| **Total liabilities** | 86,538,000 | 8,491,000                   | 95,029,000 |

### Deferred Inflows of Resources

|                      |        |                               |       |
| Deferred inflows of resources | — | — | — |

### Net Position

|                      |        |                               |       |
| Net position: |        |                               |       |
| Net investment in capital assets | 138,784,000 | 2,477,000                  | 141,261,000 |
| Restricted for: |        |                               |       |
| Nonexpendable – endowments | 1,560,000 | 16,861,000                   | 18,421,000 |
| Expendable: |        |                               |       |
| Scholarships and fellowships | 1,836,000 | — | 1,836,000 |
| Research | — | — | — |
| Loans | 882,000 | — | 882,000 |
| Capital projects | 203,000 | — | 203,000 |
| Debt service | 38,000 | — | 38,000 |
| Other | 57,000 | 13,272,000                   | 13,329,000 |
| Unrestricted | 20,505,000 | 17,774,000                 | 38,279,000 |
| **Total net position** | $163,865,000 | 50,384,000                 | 214,249,000 |

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

See accompanying independent auditors’ report.
## HUMBOLDT STATE UNIVERSITY

**Statement of Cash Flows**

**Year ended June 30, 2014**

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Student tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
</tr>
</tbody>
</table>
## Supplementary Schedule

### HUMBOLDT STATE UNIVERSITY

#### Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th>$195,595,000</th>
<th>(193,741,000)</th>
<th>3,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales of investments</td>
<td>$195,595,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(193,741,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income proceeds</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td><strong>$1,857,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase in cash and cash equivalents</th>
<th>2,000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at beginning of year</th>
<th>10,000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at end of year</th>
<th>$12,000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Summary of cash and cash equivalents at end of year:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total cash and cash equivalents at end of year</strong></th>
<th><strong>$12,000</strong></th>
</tr>
</thead>
</table>

### Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Operating loss</th>
<th>$ (104,007,000)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Adjustments to reconcile operating loss to net cash used in operating activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
</tr>
<tr>
<td>Notes receivable</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
</tr>
<tr>
<td>Unearned revenue</td>
</tr>
<tr>
<td>Depository accounts</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
</tr>
<tr>
<td>Other liabilities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net cash used in operating activities</strong></th>
<th><strong>$ (91,812,000)</strong></th>
</tr>
</thead>
</table>

### Supplemental schedule of noncash transactions:

<table>
<thead>
<tr>
<th>Acquisition of capital assets through capitalized lease</th>
<th>$600,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of net bond premium</td>
<td>59,000</td>
</tr>
<tr>
<td>Amortization of loss on debt refundings</td>
<td>42,000</td>
</tr>
<tr>
<td>Contributed capital assets</td>
<td>28,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>(729,000)</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
HUMBOLDT STATE UNIVERSITY
Transactions with Related Entities
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Statement of Net Position

#### June 30, 2014

#### Assets

<table>
<thead>
<tr>
<th>Discretely presented component units</th>
<th>Campus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$19,000</td>
<td>$18,971,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>213,081,000</td>
<td>38,298,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>7,515,000</td>
<td>9,231,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>3,615,000</td>
<td>2,309,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets:</strong></td>
<td>224,230,000</td>
<td>71,027,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases receivable, net</td>
<td>7,394,000</td>
<td>4,732,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>15,289,000</td>
<td>7,914,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>444,482,000</td>
<td>57,102,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets:</strong></td>
<td>467,467,000</td>
<td>143,583,000</td>
</tr>
<tr>
<td><strong>Total assets:</strong></td>
<td>691,697,000</td>
<td>214,610,000</td>
</tr>
</tbody>
</table>

#### Deferred Outflows of Resources

|                | 514,000 | 241,000 | 755,000 |

#### Liabilities

| Current liabilities: |  |  |
| Accounts payable     | 12,436,000 | 5,212,000 | 17,648,000 |
| Accrued salaries and benefits | 26,150,000 | 1,656,000 | 27,806,000 |
| Accrued compensated absences, current portion | 9,068,000 | 2,216,000 | 11,284,000 |
| Unearned revenue     | 33,024,000 | 6,303,000 | 39,327,000 |
| Capitalized lease obligations, current portion | 7,394,000 | 7,394,000 |  |
| Long-term debt obligations, current portion | 3,405,000 | 1,035,000 | 4,440,000 |
| Claims liability for losses and loss adjustment expenses, current portion |  |  |
| Depository accounts, current portion | 404,000 | 757,000 | 1,161,000 |
| **Other liabilities:** | 2,676,000 | 1,984,000 | 4,660,000 |
| **Total current liabilities:** | 87,163,000 | 19,163,000 | 106,326,000 |
| Noncurrent liabilities: |  |  |
| Accrued compensated absences, net of current portion | 6,283,000 | 6,283,000 |  |
| Unearned revenue      | 451,000 | 451,000 |  |
| Capitalized lease obligations, net of current portion | 7,602,000 | 7,602,000 |  |
| Long-term debt obligations, net of current portion | 112,593,000 | 34,225,000 | 146,818,000 |
| Claims liability for losses and loss adjustment expenses, net of current portion |  |  |
| Depository accounts, current portion | 9,043,000 | 9,043,000 |  |
| **Total noncurrent liabilities:** | 136,035,000 | 64,312,000 | 200,347,000 |
| **Total liabilities:** | 223,198,000 | 83,475,000 | 306,673,000 |

#### Deferred Inflows of Resources

|                |  |  |

#### Net Position

| Net position:  |  |  |
| Net investment in capital assets | 328,999,000 | 21,842,000 | 350,841,000 |
| Restricted for: |  |  |
| Nonexpendable – endowments |  |  |
| Expendable:  |  |  |
| Scholarships and fellowships | 6,000 | 3,584,000 | 3,590,000 |
| Research |  |  |
| Loans | 271,000 | 271,000 |  |
| Capital projects | 51,000 | 51,000 |  |
| Debt service |  |  |
| Other | 1,000 | 41,060,000 | 41,061,000 |
| Unrestricted | 139,685,000 | 14,693,000 | 154,380,000 |
| **Total net position:** | $469,013,000 | 131,376,000 | $600,389,000 |

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Position

**Year ended June 30, 2014**

### Revenues:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $106,818,000)</td>
<td>153,248,000</td>
<td>11,082,000</td>
<td></td>
<td>164,330,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nongovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>3,394,000</td>
<td>5,689,000</td>
<td></td>
<td>9,083,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $9,129,000)</td>
<td>23,020,000</td>
<td>34,650,000</td>
<td></td>
<td>57,670,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>8,934,000</td>
<td>7,718,000</td>
<td></td>
<td>16,652,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>188,596,000</td>
<td>88,279,000</td>
<td></td>
<td>276,875,000</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>182,842,000</td>
<td>12,527,000</td>
<td></td>
<td>195,369,000</td>
</tr>
<tr>
<td>Research</td>
<td>1,044,000</td>
<td>8,451,000</td>
<td></td>
<td>9,495,000</td>
</tr>
<tr>
<td>Public service</td>
<td>2,159,000</td>
<td>3,586,000</td>
<td></td>
<td>5,745,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>47,974,000</td>
<td>3,035,000</td>
<td></td>
<td>51,009,000</td>
</tr>
<tr>
<td>Student services</td>
<td>32,669,000</td>
<td>5,745,000</td>
<td></td>
<td>38,414,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>59,023,000</td>
<td>3,885,000</td>
<td>(5,666,000)</td>
<td>57,242,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>19,420,000</td>
<td>30,412,000</td>
<td>(103,000)</td>
<td>49,729,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>19,420,000</td>
<td>30,412,000</td>
<td>(103,000)</td>
<td>49,729,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>28,488,000</td>
<td>2,702,000</td>
<td>(31,190,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>453,274,000</td>
<td>93,275,000</td>
<td>(7,119,000)</td>
<td>539,430,000</td>
</tr>
</tbody>
</table>

### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>148,570,000</td>
<td>0</td>
<td></td>
<td>148,570,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>71,678,000</td>
<td>0</td>
<td></td>
<td>71,678,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>44,599,000</td>
<td>0</td>
<td></td>
<td>44,599,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>6,188,000</td>
<td>0</td>
<td></td>
<td>6,188,000</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>6,188,000</td>
<td>0</td>
<td>(5,703,000)</td>
<td>485,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>1,150,000</td>
<td>1,020,000</td>
<td>9,073,000</td>
<td>9,203,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>1,766,000</td>
<td>5,039,000</td>
<td></td>
<td>6,805,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>6,506,000</td>
<td>5,703,000</td>
<td></td>
<td>11,209,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>5,585,000</td>
<td>1,765,000</td>
<td></td>
<td>7,350,000</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>6,748,000</td>
<td>(1,625,000)</td>
<td>(5,123,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>275,114,000</td>
<td>17,228,000</td>
<td>(7,119,000)</td>
<td>285,619,000</td>
</tr>
</tbody>
</table>

### Income before other revenues and expenses:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>10,436,000</td>
<td>0</td>
<td></td>
<td>10,436,000</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>417,000</td>
<td>0</td>
<td></td>
<td>417,000</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>1,687,000</td>
<td>0</td>
<td></td>
<td>1,687,000</td>
</tr>
<tr>
<td><strong>Increase in net position</strong></td>
<td>10,853,000</td>
<td>13,919,000</td>
<td></td>
<td>24,772,000</td>
</tr>
</tbody>
</table>

### Net position:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at beginning of year, as previously reported</td>
<td>458,160,000</td>
<td>121,968,000</td>
<td>(4,511,000)</td>
<td>(4,511,000)</td>
</tr>
<tr>
<td><strong>Net position at beginning of year, as restated</strong></td>
<td>458,160,000</td>
<td>117,457,000</td>
<td>(4,511,000)</td>
<td>(4,511,000)</td>
</tr>
</tbody>
</table>

### Net position at end of year:

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 469,013,000</td>
<td>131,376,000</td>
<td>0</td>
<td></td>
<td>600,389,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$152,496,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(66,333,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(294,145,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(59,212,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>88,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>3,394,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>23,020,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>8,672,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(232,020,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>148,570,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>71,674,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>44,599,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>6,188,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>1,020,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>117,544,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(117,862,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>3,251,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(3,288,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>5,633,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>277,329,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>10,208,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>1,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>65,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(19,657,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(10,157,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(3,580,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(5,872,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(28,992,000)</td>
</tr>
</tbody>
</table>
Supplementary Schedule

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows

Year ended June 30, 2014

Cash flows from investing activities:
  Proceeds from sales of investments $ 622,963,000
  Purchases of investments (642,267,000)
  Investment income proceeds 1,277,000
  Net cash used in investing activities (18,027,000)
  Net decrease in cash and cash equivalents (1,710,000)

Cash and cash equivalents at beginning of year 1,729,000

Cash and cash equivalents at end of year $ 19,000

Summary of cash and cash equivalents at end of year:
  Cash and cash equivalents $ 19,000
  Restricted cash and cash equivalents —
  Total cash and cash equivalents at end of year $ 19,000

Reconciliation of operating loss to net cash used in operating activities:
  Operating loss $ (264,678,000)
  Adjustments to reconcile operating loss to net cash used in operating activities:
    Depreciation and amortization 28,488,000
    Change in assets and liabilities:
      Accounts receivable, net (1,763,000)
      Notes receivable —
      Student loans receivable, net 19,000
      Pledges receivable, net —
      Prepaid expenses and other assets (273,000)
      Accounts payable 1,767,000
      Accrued salaries and benefits 2,162,000
      Accrued compensated absences 511,000
      Unearned revenue 131,000
      Depository accounts —
      Other postemployment benefits obligation 1,745,000
      Other liabilities (129,000)
    Net cash used in operating activities $ (232,020,000)

Supplemental schedule of noncash transactions:
  Change in accrued capital asset purchases $ 3,414,000
  Construction work in progress acquired from the Office of the Chancellor 1,347,000
  Amortization of net bond premium 589,000
  Contributed capital assets 418,000
  Gifts in kind 130,000
  Amortization of loss on debt refundings 64,000
  Capital asset transferred from the Office of the Chancellor 11,000

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, LONG BEACH

Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
Supplementary Schedule

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Net Position

June 30, 2014

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$10,000</td>
<td>6,577,000</td>
<td>6,587,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>136,838,000</td>
<td>6,366,000</td>
<td>143,204,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,300,000</td>
<td>5,356,000</td>
<td>10,656,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>780,000</td>
<td>780,000</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>54,000</td>
<td>54,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>561,000</td>
<td>561,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>660,000</td>
<td>97,000</td>
<td>757,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>143,588,000</td>
<td>19,011,000</td>
<td>162,599,000</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>792,000</td>
<td>792,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,804,000</td>
<td>—</td>
<td>2,804,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>23,270,000</td>
<td>—</td>
<td>23,270,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>290,000</td>
<td>290,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,659,000</td>
<td>—</td>
<td>1,659,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>69,000</td>
<td>69,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>18,724,000</td>
<td>18,724,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>3,876,000</td>
<td>8,867,000</td>
<td>12,743,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>254,220,000</td>
<td>24,005,000</td>
<td>278,225,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>247,000</td>
<td>—</td>
<td>247,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>286,076,000</td>
<td>52,747,000</td>
<td>338,823,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>429,664,000</td>
<td>71,758,000</td>
<td>501,422,000</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>1,150,000</td>
<td>—</td>
<td>1,150,000</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>5,827,000</td>
<td>1,480,000</td>
<td>7,307,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>14,257,000</td>
<td>1,844,000</td>
<td>16,101,000</td>
</tr>
<tr>
<td>Accrued compensated absences, current portion</td>
<td>4,481,000</td>
<td>356,000</td>
<td>4,837,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>9,662,000</td>
<td>2,701,000</td>
<td>12,363,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, current portion</td>
<td>2,570,000</td>
<td>780,000</td>
<td>2,750,000</td>
</tr>
<tr>
<td>Long-term debt obligations, current portion</td>
<td>—</td>
<td>134,000</td>
<td>134,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts, current portion</td>
<td>—</td>
<td>380,000</td>
<td>380,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,634,000</td>
<td>750,000</td>
<td>2,384,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>38,731,000</td>
<td>8,425,000</td>
<td>47,156,000</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>4,723,000</td>
<td>296,000</td>
<td>5,019,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>2,061,000</td>
<td>—</td>
<td>2,061,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>—</td>
<td>24,084,000</td>
<td>24,084,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>70,520,000</td>
<td>2,159,000</td>
<td>72,679,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>71,000</td>
<td>—</td>
<td>71,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>3,461,000</td>
<td>4,096,000</td>
<td>7,557,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3,000</td>
<td>1,900,000</td>
<td>1,903,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>80,839,000</td>
<td>32,535,000</td>
<td>113,374,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>119,570,000</td>
<td>40,960,000</td>
<td>160,530,000</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>—</td>
<td>207,000</td>
<td>207,000</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>206,330,000</td>
<td>(3,360,000)</td>
<td>202,970,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>—</td>
<td>20,353,000</td>
<td>20,353,000</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>1,361,000</td>
<td>10,194,000</td>
<td>11,555,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loans</td>
<td>209,000</td>
<td>—</td>
<td>209,000</td>
</tr>
<tr>
<td>Capital projects</td>
<td>549,000</td>
<td>—</td>
<td>549,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>1,885,000</td>
<td>—</td>
<td>1,885,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>100,910,000</td>
<td>3,404,000</td>
<td>104,314,000</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$311,244,000</td>
<td>30,591,000</td>
<td>341,835,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Position

### Year ended June 30, 2014

### Discretely Presented Component

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Campus</th>
<th>Discretely presented component</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees</td>
<td>78,982,000</td>
<td>4,698,000</td>
<td>—</td>
<td>83,680,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>18,469,000</td>
<td>—</td>
<td>18,469,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>2,698,000</td>
<td>—</td>
<td>2,698,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>498,000</td>
<td>—</td>
<td>498,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>1,603,000</td>
<td>—</td>
<td>1,603,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>114,000</td>
<td>2,005,000</td>
<td>—</td>
<td>2,119,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $2,346,000)</td>
<td>10,946,000</td>
<td>5,432,000</td>
<td>—</td>
<td>16,378,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>5,988,000</td>
<td>643,000</td>
<td>—</td>
<td>6,631,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>96,030,000</td>
<td>36,046,000</td>
<td>—</td>
<td>132,076,000</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>100,566,000</td>
<td>22,950,000</td>
<td>(1,729,000)</td>
<td>121,787,000</td>
</tr>
<tr>
<td>Research</td>
<td>2,479,000</td>
<td>—</td>
<td>—</td>
<td>2,479,000</td>
</tr>
<tr>
<td>Public service</td>
<td>2,451,000</td>
<td>—</td>
<td>—</td>
<td>2,451,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>32,200,000</td>
<td>—</td>
<td>—</td>
<td>32,200,000</td>
</tr>
<tr>
<td>Student services</td>
<td>19,764,000</td>
<td>3,942,000</td>
<td>—</td>
<td>23,706,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>34,066,000</td>
<td>2,962,000</td>
<td>—</td>
<td>37,028,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>20,979,000</td>
<td>3,587,000</td>
<td>—</td>
<td>24,566,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>52,557,000</td>
<td>1,199,000</td>
<td>—</td>
<td>53,756,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>9,272,000</td>
<td>—</td>
<td>—</td>
<td>9,272,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>15,534,000</td>
<td>1,777,000</td>
<td>—</td>
<td>17,311,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>289,868,000</td>
<td>36,417,000</td>
<td>(1,729,000)</td>
<td>324,556,000</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>107,819,000</td>
<td>—</td>
<td>—</td>
<td>107,819,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>61,374,000</td>
<td>—</td>
<td>—</td>
<td>61,374,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>29,542,000</td>
<td>—</td>
<td>—</td>
<td>29,542,000</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>19,000</td>
<td>—</td>
<td>—</td>
<td>19,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>94,000</td>
<td>—</td>
<td>—</td>
<td>94,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>10,000</td>
<td>2,504,000</td>
<td>—</td>
<td>2,514,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>2,305,000</td>
<td>289,000</td>
<td>—</td>
<td>2,594,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>1,188,000</td>
<td>1,318,000</td>
<td>—</td>
<td>2,506,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(3,399,000)</td>
<td>(1,277,000)</td>
<td>—</td>
<td>(4,676,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>2,939,000</td>
<td>(112,000)</td>
<td>—</td>
<td>2,827,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>200,703,000</td>
<td>4,522,000</td>
<td>—</td>
<td>205,225,000</td>
</tr>
<tr>
<td>Income before other revenues and expenses</td>
<td>6,865,000</td>
<td>4,151,000</td>
<td>1,729,000</td>
<td>12,745,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>1,928,000</td>
<td>—</td>
<td>—</td>
<td>1,928,000</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td></td>
<td>1,866,000</td>
<td>(1,729,000)</td>
<td>199,000</td>
</tr>
<tr>
<td><strong>Increase in net position</strong></td>
<td>8,793,000</td>
<td>6,017,000</td>
<td>—</td>
<td>14,810,000</td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as previously reported</td>
<td>302,451,000</td>
<td>24,574,000</td>
<td>—</td>
<td>327,025,000</td>
</tr>
<tr>
<td>Restatements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>302,451,000</td>
<td>24,574,000</td>
<td>—</td>
<td>327,025,000</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>$ 311,244,000</td>
<td>30,591,000</td>
<td>—</td>
<td>341,835,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## California State University, Los Angeles
### Statement of Cash Flows
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$78,001,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(42,856,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(175,224,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(52,557,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>247,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>114,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>11,136,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>6,071,000</td>
</tr>
</tbody>
</table>

Net cash used in operating activities: (175,068,000)

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>107,819,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>61,357,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>29,740,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>19,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>94,000</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>10,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>69,844,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(70,004,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>3,410,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(3,130,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>2,934,000</td>
</tr>
</tbody>
</table>

Net cash provided by noncapital financing activities: 202,093,000

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>9,286,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>49,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(7,934,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(9,237,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(2,690,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(3,481,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>1,364,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>1,221,000</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

Net cash used in capital and related financing activities: (11,422,000)

(Continued)
CALIFORNIA STATE UNIVERSITY, LOS ANGELES  
Statement of Cash Flows  
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales of investments</td>
<td>$ 188,798,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(205,535,000)</td>
</tr>
<tr>
<td>Investment income proceeds</td>
<td>1,134,000</td>
</tr>
</tbody>
</table>

Net cash used in investing activities: (15,603,000)

Net increase in cash and cash equivalents: —

Cash and cash equivalents at beginning of year: 10,000

Cash and cash equivalents at end of year: $ 10,000

Summary of cash and cash equivalents at end of year:

- Cash and cash equivalents: $ 10,000
- Restricted cash and cash equivalents: —

Total cash and cash equivalents at end of year: $ 10,000

Reconciliation of operating loss to net cash used in operating activities:

- Operating loss: $ (193,838,000)

Adjustments to reconcile operating loss to net cash used in operating activities:

- Depreciation and amortization: 15,534,000
- Change in assets and liabilities:
  - Accounts receivable, net: (604,000)
  - Notes receivable: —
  - Student loans receivable, net: 246,000
  - Pledges receivable, net: —
  - Prepaid expenses and other assets: 472,000
  - Accounts payable: 721,000
  - Accrued salaries and benefits: 1,190,000
  - Accrued compensated absences: 516,000
  - Unearned revenue: (333,000)
  - Depository accounts: —
  - Other postemployment benefits obligation: 799,000
  - Other liabilities: 229,000

Net cash used in operating activities: $ (175,068,000)

Supplemental schedule of noncash transactions:

- Amortization of net bond premium: $ 602,000
- Amortization of loss on debt refundings: 526,000
- Change in accrued capital asset purchases: (39,000)

See accompanying independent auditors’ report.
Supplementary Schedule

CALIFORNIA STATE UNIVERSITY, LOS ANGELES
Transactions with Related Entities
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
Supplementary Schedule

CALIFORNIA MARITIME ACADEMY

Statement of Net Position

June 30, 2014

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 157,000</td>
<td>1,363,000</td>
<td>1,520,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>21,704,000</td>
<td>115,000</td>
<td>21,819,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,327,000</td>
<td>169,000</td>
<td>1,496,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>66,000</td>
<td>66,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,570,000</td>
<td>27,000</td>
<td>1,597,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total current assets</td>
<td>24,758,000</td>
<td>1,770,000</td>
<td>26,528,000</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,326,000</td>
<td>—</td>
<td>1,326,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,090,000</td>
<td>—</td>
<td>1,090,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,556,000</td>
<td>—</td>
<td>1,556,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>6,724,000</td>
<td>6,724,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>110,123,000</td>
<td>1,521,000</td>
<td>111,644,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>2,000</td>
<td>—</td>
<td>2,000</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>114,097,000</td>
<td>8,416,000</td>
<td>122,513,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>138,855,000</td>
<td>10,186,000</td>
<td>149,041,000</td>
</tr>
</tbody>
</table>

Deferred Outflows of Resources

Deferred inflows of resources

Net Position

Net investment in capital assets | 80,501,000 | 1,521,000 | 82,022,000 |

Restricted for:
| Nonexpendable – endowments | — | 6,730,000 | 6,730,000 |
| Expendable: | | | |
| Scholarships and fellowships | — | — | — |
| Research | — | — | — |
| Loans | 47,000 | — | 47,000 |
| Capital projects | — | 115,000 | 115,000 |
| Debt service | — | — | — |
| Other | 2,976,000 | 1,091,000 | 4,067,000 |
| Unrestricted | 10,646,000 | 621,000 | 11,267,000 |
| Total net position | $ 94,170,000 | 10,078,000 | 104,248,000 |

See accompanying independent auditors’ report.
## California Maritime Academy
### Statement of Revenues, Expenses, and Changes in Net Position
#### Year ended June 30, 2014

### Supplementary Schedule

<table>
<thead>
<tr>
<th>Campus</th>
<th>Discretely Presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
</table>

### Revenues:
#### Operating revenues:
- Student tuition and fees (net of scholarship allowances of $2,121,000) $ 8,939,000 215,000 — 9,154,000
- Grants and contracts, noncapital:
  - Federal 2,667,000 — — 2,667,000
  - State 34,000 — — 34,000
  - Local 49,000 — — 49,000
  - Nongovernmental 1,222,000 — — 1,222,000
- Sales and services of auxiliary enterprises (net of scholarship allowances of $1,555,000) 6,546,000 — — 6,546,000
- Other operating revenues 237,000 2,569,000 (4,000) 2,802,000
  - Total operating revenues 19,694,000 2,784,000 (4,000) 22,474,000

### Expenses:
#### Operating expenses:
- Instruction 15,015,000 — — 15,015,000
- Research 2,852,000 — — 2,852,000
- Public service 21,000 — — 21,000
- Academic support 2,052,000 — — 2,052,000
- Student services 5,495,000 32,000 — 5,527,000
- Institutional support 7,195,000 222,000 — 7,417,000
- Operation and maintenance of plant 5,790,000 — — 5,790,000
- Student grants and scholarships 797,000 406,000 — 796,000
- Auxiliary enterprise expenses 5,221,000 692,000 (132,000) 5,781,000
- Depreciation and amortization 3,764,000 350,000 — 4,114,000
  - Total operating expenses 48,202,000 1,702,000 (539,000) 49,365,000
- Operating income (loss) (28,508,000) 1,082,000 535,000 (26,891,000)

### Nonoperating revenues (expenses):
- State appropriations, noncapital 24,478,000 — — 24,478,000
- Federal financial aid grants, noncapital 1,756,000 — — 1,756,000
- State financial aid grants, noncapital 658,000 — — 658,000
- Local financial aid grants, noncapital — — — —
- Nongovernmental and other financial aid grants, noncapital 406,000 — (406,000) —
- Other federal nonoperating grants, noncapital — — — —
- Gifts, noncapital 70,000 — (70,000) —
- Investment income, net 179,000 697,000 — 876,000
- Endowment income, net — 135,000 — 135,000
- Interest expense (1,307,000) — — (1,307,000)
- Other nonoperating revenues 21,772,000 9,000 — 21,781,000
  - Net nonoperating revenues 48,012,000 841,000 (476,000) 48,377,000
  - Income before other revenues and expenses 19,504,000 1,923,000 59,000 21,486,000
- State appropriations, capital 1,294,000 — — 1,294,000
- Grants and gifts, capital 59,000 — (59,000) —
- Additions to permanent endowments — — — —
  - Increase in net position 20,857,000 1,923,000 — 22,780,000
  - Net position at beginning of year, as previously reported 73,313,000 8,155,000 — 81,468,000
  - Restatements — — — —
  - Net position at beginning of year, as restated 73,313,000 8,155,000 — 81,468,000
- Net position at end of year $ 94,170,000 10,078,000 — 104,248,000

See accompanying independent auditors’ report.
Campus

Cash flows from operating activities:
- Student tuition and fees $ 8,955,000
- Federal grants and contracts 3,437,000
- State grants and contracts 87,000
- Local grants and contracts 48,000
- Nongovernmental grants and contracts 1,311,000
- Payments to suppliers (16,493,000)
- Payments to employees (27,104,000)
- Payments to students (1,622,000)
- Collections of student loans 824,000
- Sales and services of educational activities —
- Sales and services of auxiliary enterprises 8,109,000
- Other receipts 266,000

Net cash used in operating activities (22,182,000)

Cash flows from noncapital financing activities:
- State appropriations 24,478,000
- Federal financial aid grants 1,756,000
- State financial aid grants 658,000
- Local financial aid grants —
- Nongovernmental and other financial aid grants 407,000
- Other federal nonoperating grants —
- Gifts and grants received for other than capital purposes 70,000
- Federal loan program receipts 7,263,000
- Federal loan program disbursements (7,276,000)
- Monies received on behalf of others 816,000
- Monies disbursed on behalf of others (816,000)
- Other noncapital financing activities (7,924,000)

Net cash provided by noncapital financing activities 19,432,000

Cash flows from capital and related financing activities:
- Proceeds from capital debt 6,000
- State appropriations 450,000
- State appropriations – SPWB Lease Revenue Bonds program —
- Capital grants and gifts —
- Proceeds from sale of capital assets —
- Acquisition of capital assets (4,054,000)
- Issuance of notes receivable —
- Transfers to escrow agent —
- Principal paid on capital debt and leases (346,000)
- Interest paid on capital debt and leases (1,309,000)
- Principal collection on capital leases —
- Interest collection on capital leases —
- Principal collection on notes receivable —
- Interest collection on notes receivable —

Net cash used in capital and related financing activities (5,253,000)
## Statement of Cash Flows

Year ended June 30, 2014

### Cash Flow Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales of investments</td>
<td>$63,362,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>$(55,740,000)</td>
</tr>
<tr>
<td>Investment income proceeds</td>
<td>$323,000</td>
</tr>
</tbody>
</table>

Net cash provided by investing activities: $7,945,000

### Net Decrease in Cash and Cash Equivalents:

Net decrease in cash and cash equivalents: $(58,000)

### Cash and Cash Equivalents:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>$215,000</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$157,000</td>
</tr>
</tbody>
</table>

### Summary of Cash and Cash Equivalents at End of Year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$157,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
</tr>
</tbody>
</table>

Total cash and cash equivalents at end of year: $157,000

### Reconciliation of Operating Loss to Net Cash Used in Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(28,508,000)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization</td>
<td>$3,764,000</td>
</tr>
</tbody>
</table>

Change in assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>$898,000</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>$(329,000)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$(296,000)</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>$329,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>$84,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>$1,626,000</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>$10,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>$239,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Net cash used in operating activities: $(22,182,000)

### Supplemental Schedule of Noncash Transactions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of capital assets through capitalized lease</td>
<td>$25,230,000</td>
</tr>
<tr>
<td>Construction work in progress acquired from the Office of the Chancellor</td>
<td>$5,559,000</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
<td>$495,000</td>
</tr>
<tr>
<td>Amortization of net bond premium</td>
<td>$65,000</td>
</tr>
<tr>
<td>Contributed capital assets</td>
<td>$59,000</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2014

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

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

See accompanying independent auditors’ report.
## Supplementary Schedule

### CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year ended June 30, 2014**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $15,872,000)</td>
<td>$27,528,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>8,512,000</td>
<td>—</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>849,000</td>
<td>—</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>215,000</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>944,000</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $7,000)</td>
<td>916,000</td>
<td>31,061,000</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>6,375,000</td>
<td>564,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>34,819,000</td>
<td>42,145,000</td>
<td>—</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>35,191,000</td>
<td>437,000</td>
<td>—</td>
</tr>
<tr>
<td>Research</td>
<td>130,000</td>
<td>4,535,000</td>
<td>—</td>
</tr>
<tr>
<td>Public service</td>
<td>619,000</td>
<td>3,541,000</td>
<td>—</td>
</tr>
<tr>
<td>Academic support</td>
<td>8,875,000</td>
<td>1,427,000</td>
<td>—</td>
</tr>
<tr>
<td>Student services</td>
<td>16,339,000</td>
<td>2,503,000</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>16,113,000</td>
<td>3,395,000</td>
<td>—</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>12,672,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>13,604,000</td>
<td>2,032,000</td>
<td>—</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>1,522,000</td>
<td>2,522,000</td>
<td>(763,000)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>12,416,000</td>
<td>4,047,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>117,481,000</td>
<td>40,745,000</td>
<td>(763,000)</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(82,662,000)</td>
<td>1,400,000</td>
<td>763,000</td>
</tr>
</tbody>
</table>

| Nonoperating revenues (expenses): | | | |
| State appropriations, noncapital | 55,680,000 | — | — | 55,680,000 |
| Federal financial aid grants, noncapital | 13,092,000 | — | — | 13,092,000 |
| State financial aid grants, noncapital | 6,765,000 | — | — | 6,765,000 |
| Local financial aid grants, noncapital | — | — | — | — |
| Nongovernmental and other financial aid grants, noncapital | — | — | — | — |
| Other federal nonoperating grants, noncapital | — | — | — | — |
| Gifts, noncapital | 752,000 | 2,117,000 | (752,000) | 2,117,000 |
| Investment income, net | 3,207,000 | 3,717,000 | — | 6,924,000 |
| Endowment income, net | — | 2,798,000 | — | 2,798,000 |
| Interest expense | (2,920,000) | (2,754,000) | — | (5,674,000) |
| Other nonoperating revenues (expenses) | 1,123,000 | (450,000) | — | 673,000 |
| **Net nonoperating revenues** | 77,699,000 | 5,428,000 | (752,000) | 82,375,000 |

| Income (loss) before other revenues and expenses | (4,963,000) | 6,828,000 | 11,000 | 1,876,000 |
| State appropriations, capital | 42,324,000 | — | — | 42,324,000 |
| Grants and gifts, capital | 165,000 | (154,000) | (11,000) | — |
| Additions to permanent endowments | — | 126,000 | — | 126,000 |
| **Increase in net position** | 37,526,000 | 6,800,000 | — | 44,326,000 |

| Net position: | | | |
| Net position at beginning of year, as previously reported | 265,933,000 | 58,033,000 | — | 323,966,000 |
| Restatements | — | — | — | — |
| **Net position at beginning of year, as restated** | 265,933,000 | 58,033,000 | — | 323,966,000 |
| **Net position at end of year** | $303,459,000 | 64,833,000 | — | 368,292,000 |

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

### Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Student tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

| **Cash flows from noncapital financing activities:** |
| State appropriations | 55,680,000 |
| Federal financial aid grants | 13,092,000 |
| State financial aid grants | 6,765,000 |
| Local financial aid grants | — |
| Nongovernmental and other financial aid grants | — |
| Other federal nonoperating grants | — |
| Gifts and grants received for other than capital purposes | 752,000 |
| Federal loan program receipts | — |
| Federal loan program disbursements | — |
| Monies received on behalf of others | — |
| Monies disbursed on behalf of others | $(651,000) |
| Other noncapital financing activities | 876,000 |
| **Net cash provided by noncapital financing activities** | 76,514,000 |

| **Cash flows from capital and related financing activities:** |
| Proceeds from capital debt | — |
| State appropriations | — |
| State appropriations – SPWB Lease Revenue Bonds program | 7,548,000 |
| Capital grants and gifts | — |
| Proceeds from sale of capital assets | — |
| Acquisition of capital assets | $(12,212,000) |
| Issuance of notes receivable | — |
| Transfers to escrow agent | — |
| Principal paid on capital debt and leases | $(2,181,000) |
| Interest paid on capital debt and leases | $(2,920,000) |
| Principal collection on capital leases | 1,875,000 |
| Interest collection on capital leases | 2,861,000 |
| Principal collection on notes receivable | — |
| Interest collection on notes receivable | — |
| **Net cash used in capital and related financing activities** | $(5,029,000) |
CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows
Year ended June 30, 2014

Cash flow investing activities:
   Proceeds from sales of investments $  133,335,000
   Purchases of investments      (136,880,000)
   Investment income proceeds     331,000
   Net cash provided by investing activities (3,214,000)

Net decrease in cash and cash equivalents (270,000)

Cash and cash equivalents at beginning of year 270,000

Cash and cash equivalents at end of year $ —

Summary of cash and cash equivalents at end of year:
   Cash and cash equivalents $ —
   Restricted cash and cash equivalents —
   Total cash and cash equivalents at end of year $ —

Reconciliation of operating loss to net cash used in operating activities:
   Operating loss $ (82,662,000)

   Adjustments to reconcile operating loss to net cash used in operating activities:
      Depreciation and amortization 12,416,000
      Change in assets and liabilities:
         Accounts receivable, net 914,000
         Notes receivable —
         Student loans receivable, net (227,000)
         Pledges receivable, net —
         Prepaid expenses and other assets —
         Accounts payable (54,000)
         Accrued salaries and benefits 86,000
         Accrued compensated absences 416,000
         Unearned revenue 459,000
         Depository accounts —
         Other postemployment benefits obligation 274,000
         Other liabilities (163,000)
      Net cash used in operating activities $ (68,541,000)

Supplemental schedule of noncash transactions:
   Change in accrued capital asset purchases $  4,777,000
   Investment income automatically reinvested 344,000
   Capital assets paid by the Office of the Chancellor 220,000
   Contributed capital assets 165,000

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

### Transactions with Related Entities

**Year ended June 30, 2014**

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

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

### Statement of Net Position

June 30, 2014

---

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,000</td>
<td>9,075,000</td>
<td>9,088,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>189,197,000</td>
<td>60,803,000</td>
<td>250,000,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>11,134,000</td>
<td>5,101,000</td>
<td>16,235,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>345,000</td>
<td>7,000</td>
<td>345,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>7,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>3,811,000</td>
<td>3,811,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>3,118,000</td>
<td>671,000</td>
<td>3,789,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>203,807,000</td>
<td>79,468,000</td>
<td>283,275,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>1,911,000</td>
<td>1,911,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>—</td>
<td>1,573,000</td>
<td>1,573,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>7,870,000</td>
<td>7,870,000</td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>280,000</td>
<td>280,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>2,998,000</td>
<td>2,998,000</td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>7,960,000</td>
<td>7,960,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>79,459,000</td>
<td>79,459,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>37,696,000</td>
<td>21,877,000</td>
<td>523,571,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>501,694,000</td>
<td>8,574,000</td>
<td>510,268,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>62,000</td>
<td>1,527,000</td>
<td>1,589,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>550,320,000</td>
<td>127,613,000</td>
<td>677,933,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>754,127,000</td>
<td>207,081,000</td>
<td>961,208,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

| Deferred outflows of resources | 2,264,000 | — | 2,264,000 |

### Liabilities

| Current liabilities: |                |                                      |               |
| Accounts payable     | 10,574,000     | 2,826,000                            | 13,400,000    |
| Accrued salaries and benefits | 22,819,000 | 1,754,000                           | 24,573,000    |
| Accrued compensated absences, current portion | 9,356,000 | 613,000                              | 9,969,000     |
| Unearned revenue     | 24,152,000     | 3,494,000                            | 27,646,000    |
| Capitalized lease obligations, current portion | — | 345,000                              | 345,000       |
| Long-term debt obligations, current portion | 18,716,000 | 391,000                              | 19,107,000    |
| Claims liability for losses and loss adjustment expenses, current portion | — | —                                    |              |
| Depository accounts, current portion | 103,000 | 2,678,000                            | 2,781,000     |
| Other liabilities    | 3,070,000      | 111,000                              | 3,181,000     |
| **Total current liabilities**| 88,790,000   | 12,212,000                           | 101,002,000   |
| Noncurrent liabilities: |                |                                      |               |
| Accrued compensated absences, net of current portion | 6,299,000 | 197,000                              | 6,496,000     |
| Unearned revenue     | 3,509,000      | 3,509,000                            |              |
| Capitalized lease obligations, net of current portion | — | 8,574,000                            | 8,574,000     |
| Long-term debt obligations, net of current portion | 146,194,000 | 3,708,000                            | 149,902,000   |
| Claims liability for losses and loss adjustment expenses, net of current portion | — | —                                    |              |
| Depository accounts  | —              | —                                    |              |
| Other postemployment benefits obligation | 10,327,000 | 4,168,000                            | 14,495,000    |
| **Total noncurrent liabilities**| 166,329,000  | 16,647,000                           | 182,976,000   |
| **Total liabilities** | 255,119,000   | 28,859,000                           | 283,978,000   |

### Deferred Inflows of Resources

| Deferred inflows of resources | — | — | — |

### Net Position

| Net position: |                |                                      |               |
| Net investment in capital assets | 353,798,000 | 8,858,000                            | 362,656,000   |
| Restricted for: |                |                                      |               |
| Nonexpendable – endowments | — | 52,567,000                           | 52,567,000    |
| Expendable: |                |                                      |               |
| Scholarships and fellowships | 574,000 | 22,794,000                           | 23,368,000    |
| Research | — | 3,535,000                            | 3,535,000     |
| Loans | 304,000 | —                                    | 304,000       |
| Capital projects | 18,000 | 3,371,000                            | 3,389,000     |
| Debt service | 106,000 | —                                    | 106,000       |
| Other | 41,888,000 | 41,888,000                           |              |
| Unrestricted | 146,472,000 | 45,209,000                           | 191,681,000   |
| **Total net position** | $501,272,000 | 178,222,000                          | 679,494,000   |

See accompanying independent auditors’ report.
Supplementary Schedule

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

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $113,213,000)</td>
<td>$180,912,000</td>
<td>17,454,000</td>
<td>—</td>
<td>198,366,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>27,387,000</td>
<td>—</td>
<td>27,387,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>1,572,000</td>
<td>—</td>
<td>1,572,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>512,000</td>
<td>—</td>
<td>512,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>119,000</td>
<td>1,790,000</td>
<td>—</td>
<td>1,909,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>1,320,000</td>
<td>—</td>
<td>—</td>
<td>1,320,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>30,932,000</td>
<td>19,097,000</td>
<td>—</td>
<td>50,029,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>16,228,000</td>
<td>—</td>
<td>—</td>
<td>19,321,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>229,511,000</td>
<td>70,905,000</td>
<td>—</td>
<td>300,416,000</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>169,648,000</td>
<td>454,000</td>
<td>(64,000)</td>
<td>170,038,000</td>
</tr>
<tr>
<td>Research</td>
<td>6,229,000</td>
<td>28,592,000</td>
<td>—</td>
<td>34,821,000</td>
</tr>
<tr>
<td>Public service</td>
<td>7,055,000</td>
<td>696,000</td>
<td>—</td>
<td>2,401,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>48,546,000</td>
<td>522,000</td>
<td>—</td>
<td>49,068,000</td>
</tr>
<tr>
<td>Student services</td>
<td>68,938,000</td>
<td>18,797,000</td>
<td>—</td>
<td>87,735,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>38,699,000</td>
<td>3,354,000</td>
<td>—</td>
<td>42,053,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>31,296,000</td>
<td>30,000</td>
<td>—</td>
<td>31,596,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>85,953,000</td>
<td>2,110,000</td>
<td>—</td>
<td>88,063,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>22,246,000</td>
<td>16,553,000</td>
<td>—</td>
<td>38,799,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>28,246,000</td>
<td>2,055,000</td>
<td>—</td>
<td>30,282,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>501,487,000</td>
<td>73,163,000</td>
<td>(64,000)</td>
<td>574,586,000</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(271,976,000)</td>
<td>(2,258,000)</td>
<td>64,000</td>
<td>(274,170,000)</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>147,276,000</td>
<td>—</td>
<td>—</td>
<td>147,276,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>82,274,000</td>
<td>—</td>
<td>—</td>
<td>82,274,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>47,674,000</td>
<td>—</td>
<td>—</td>
<td>47,674,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>4,755,000</td>
<td>—</td>
<td>—</td>
<td>4,755,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>657,000</td>
<td>—</td>
<td>—</td>
<td>657,000</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>98,000</td>
<td>15,199,000</td>
<td>—</td>
<td>15,297,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>2,216,000</td>
<td>17,108,000</td>
<td>—</td>
<td>19,324,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>—</td>
<td>445,000</td>
<td>—</td>
<td>445,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(7,426,000)</td>
<td>(498,000)</td>
<td>—</td>
<td>(7,924,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>11,269,000</td>
<td>(6,098,000)</td>
<td>—</td>
<td>5,171,000</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>288,793,000</td>
<td>26,156,000</td>
<td>—</td>
<td>314,949,000</td>
</tr>
<tr>
<td>Income before other revenues and expenses</td>
<td>16,817,000</td>
<td>23,898,000</td>
<td>64,000</td>
<td>40,799,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>277,000</td>
<td>—</td>
<td>—</td>
<td>213,000</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>—</td>
<td>2,302,000</td>
<td>—</td>
<td>2,302,000</td>
</tr>
<tr>
<td><strong>Increase in net position</strong></td>
<td>17,094,000</td>
<td>26,200,000</td>
<td>—</td>
<td>43,294,000</td>
</tr>
<tr>
<td><strong>Net position:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as previously reported</td>
<td>484,178,000</td>
<td>151,580,000</td>
<td>—</td>
<td>635,758,000</td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>484,178,000</td>
<td>152,022,000</td>
<td>—</td>
<td>636,200,000</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>$501,272,000</td>
<td>178,222,000</td>
<td>—</td>
<td>679,494,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Cash Flows
### Year ended June 30, 2014

**Supplementary Schedule**

### CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

**Statement of Cash Flows**

**Year ended June 30, 2014**

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$180,375,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>119,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(90,594,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(292,119,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(87,207,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>1,320,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>31,308,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>15,836,000</td>
</tr>
</tbody>
</table>

**Net cash used in operating activities**

(240,962,000)

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>147,276,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>82,249,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>47,674,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>4,755,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>657,000</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>97,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>121,478,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(121,807,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>256,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(304,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>10,220,000</td>
</tr>
</tbody>
</table>

**Net cash provided by noncapital financing activities**

292,551,000

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>13,664,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>213,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(24,528,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(3,552,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(8,768,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(7,802,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>330,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>389,000</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

**Net cash used in capital and related financing activities**

(30,054,000)
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows
Year ended June 30, 2014

Campus

Cash flow investing activities:
Proceeds from sales of investments ........................................ $ 572,263,000
Purchases of investments ....................................................... (596,139,000)
Investment income proceeds .................................................. 1,943,000
Net cash provided by investing activities .................................. (21,933,000)
Net decrease in cash and cash equivalents ................................ (398,000)
Cash and cash equivalents at beginning of year .......................... 411,000
Cash and cash equivalents at end of year ................................. $ 13,000

Summary of cash and cash equivalents at end of year:
Cash and cash equivalents ...................................................... $ 13,000
Restricted cash and cash equivalents ....................................... —
Total cash and cash equivalents at end of year ......................... $ 13,000

Reconciliation of operating loss to net cash used in operating activities:
Operating loss ......................................................................... $ (271,976,000)
Adjustments to reconcile operating loss to net cash used in operating activities:
Depreciation and amortization ................................................. 28,227,000
Change in assets and liabilities:
Accounts receivable, net ......................................................... (3,347,000)
Notes receivable ....................................................................... —
Student loans receivable, net .................................................... (1,072,000)
Pledges receivable, net .............................................................. —
Prepaid expenses and other assets ............................................ (287,000)
Accounts payable ..................................................................... 52,000
Accrued salaries and benefits .................................................... 1,515,000
Accrued compensated absences .............................................. 1,090,000
Unearned revenue .................................................................... 2,795,000
Depository accounts .................................................................. —
Other postemployment benefits obligation .............................. 1,932,000
Other liabilities ........................................................................ 109,000
Net cash used in operating activities ........................................ $ (240,962,000)

Supplemental schedule of noncash transactions:
Capital assets paid by the Office of the Chancellor ...................... $ 1,387,000
Amortization of net bond premium .......................................... 596,000
Amortization of loss on debt refundings ................................. 191,000
Contributed capital assets ....................................................... 64,000
Change in accrued capital asset purchases ......................... (1,745,000)

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Statement of Net Position

**June 30, 2014**

#### Discretely presented component

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Presented</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$10,000</td>
<td>4,819,000</td>
<td>4,829,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>156,706,000</td>
<td>20,011,000</td>
<td>176,717,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>14,052,000</td>
<td>6,834,000</td>
<td>20,886,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>820,000</td>
<td>—</td>
<td>820,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>4,998,000</td>
<td>4,998,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>4,167,000</td>
<td>2,259,000</td>
<td>6,426,000</td>
</tr>
<tr>
<td>Total current assets</td>
<td>175,755,000</td>
<td>38,921,000</td>
<td>214,676,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>1,191,000</td>
<td>1,191,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>867,000</td>
<td>—</td>
<td>867,000</td>
</tr>
<tr>
<td>Leases receivable, net</td>
<td>25,885,000</td>
<td>—</td>
<td>25,885,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>5,545,000</td>
<td>—</td>
<td>5,545,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>3,614,000</td>
<td>3,614,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>85,622,000</td>
<td>85,622,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>23,964,000</td>
<td>33,792,000</td>
<td>57,756,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>439,179,000</td>
<td>53,984,000</td>
<td>493,163,000</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>495,440,000</td>
<td>178,203,000</td>
<td>673,643,000</td>
</tr>
<tr>
<td><strong>Total assets:</strong></td>
<td>671,195,000</td>
<td>217,124,000</td>
<td>888,319,000</td>
</tr>
</tbody>
</table>

#### Deferred Outflows of Resources

| Deferred outflows of resources        | 2,504,000 | 486,000  | 2,990,000|

#### Liabilities

**Current liabilities:**
- Accounts payable: 10,380,000
- Accrued salaries and benefits: 14,375,000
- Accrued compensated absences, current portion: 6,182,000
- Unearned revenue: 7,117,000
- Capitalized lease obligations, current portion: 5,900,000
- Long-term debt obligations, current portion: 233,241,000
- Claims liability for losses and loss adjustment expenses, current portion: 466,000
- Depository accounts, current portion: 6,107,000
- Other liabilities: 50,527,000
- Total current liabilities: 246,121,000

**Noncurrent liabilities:**
- Accrued compensated absences, net of current portion: 3,083,000
- Unearned revenue: 5,667,000
- Capitalized lease obligations, net of current portion: 233,241,000
- Long-term debt obligations, net of current portion: 4,130,000
- Claims liability for losses and loss adjustment expenses, net of current portion: 466,000
- Depository accounts: 6,107,000
- Other postemployment benefits obligation: 50,527,000
- Other liabilities: 246,121,000
- Total noncurrent liabilities: 296,648,000

#### Deferred Inflows of Resources

**Deferred inflows of resources:**

**Net Position**

**Net position:**
- Net investment in capital assets: 239,090,000
- Restricted for:
  - Nonexpendable - endowments: 3,100,000
  - Expendable:
    - Scholarships and fellowships: 3,775,000
    - Research: 3,806,000
    - Loans: 361,000
    - Capital projects: 4,275,000
    - Debt service: 690,000
    - Other: 29,561,000
- Unrestricted: 132,604,000
- Total net position: $377,051,000

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Position

### Year ended June 30, 2014

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

See accompanying independent auditors’ report.
**CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Student tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

| **Cash flows from noncapital financing activities:** |
| State appropriations | 108,644,000 |
| Federal financial aid grants | 45,196,000 |
| State financial aid grants | 27,255,000 |
| Local financial aid grants | — |
| Nongovernmental and other financial aid grants | 2,570,000 |
| Other federal nonoperating grants | — |
| Gifts and grants received for other than capital purposes | 208,000 |
| Federal loan program receipts | 66,311,000 |
| Federal loan program disbursements | (66,306,000) |
| Monies received on behalf of others | 16,912,000 |
| Monies disbursed on behalf of others | (16,688,000) |
| Other noncapital financing activities | 3,058,000 |
| **Net cash provided by noncapital financing activities** | 187,160,000 |

| **Cash flows from capital and related financing activities:** |
| Proceeds from capital debt | 29,775,000 |
| State appropriations | 1,678,000 |
| State appropriations – SPWB Lease Revenue Bonds program | (866,000) |
| Capital grants and gifts | 4,074,000 |
| Proceeds from sale of capital assets | — |
| Acquisition of capital assets | (35,690,000) |
| Issuance of notes receivable | — |
| Transfers to escrow agent | (28,740,000) |
| Principal paid on capital debt and leases | (5,934,000) |
| Interest paid on capital debt and leases | (9,441,000) |
| Principal collection on capital leases | 780,000 |
| Interest collection on capital leases | 1,218,000 |
| Principal collection on notes receivable | — |
| Interest collection on notes receivable | — |
| **Net cash used in capital and related financing activities** | (43,146,000) |

(Continued)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows

Year ended June 30, 2014

Campus

Cash flow investing activities:
Proceeds from sales of investments $ 448,816,000
Purchases of investments (445,647,000)
Investment income proceeds 989,000

Net cash provided by investing activities 4,158,000

Net decrease in cash and cash equivalents (476,000)

Cash and cash equivalents at beginning of year 486,000

Cash and cash equivalents at end of year $ 10,000

Summary of cash and cash equivalents at end of year:
Cash and cash equivalents $ 10,000
Restricted cash and cash equivalents —

Total cash and cash equivalents at end of year $ 10,000

Reconciliation of operating loss to net cash used in operating activities:
Operating loss $ (171,854,000)

Adjustments to reconcile operating loss to net cash used in operating activities:
Depreciation and amortization 21,243,000
Change in assets and liabilities:
Accounts receivable, net (82,000)
Notes receivable —
Student loans receivable, net 28,000
Pledges receivable, net —
Prepaid expenses and other assets (1,000,000)
Accounts payable (19,000)
Accrued salaries and benefits 1,232,000
Accrued compensated absences 274,000
Unearned revenue 218,000
Depository accounts —
Other postemployment benefits obligation 775,000
Other liabilities 537,000

Net cash used in operating activities $ (148,648,000)

Supplemental schedule of noncash transactions:
Contributed capital assets $ 2,289,000
Change in accrued capital asset purchases 1,147,000
Amortization of net bond premium 1,093,000
Amortization of loss on debt refundings 597,000
Gifts in kind 589,000

See accompanying independent auditors’ report.
Supplementary Schedule

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
## Statement of Net Position

June 30, 2014

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$935,000</td>
<td>3,369,000</td>
<td>4,304,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>166,119,000</td>
<td>35,173,000</td>
<td>201,292,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>10,311,000</td>
<td>12,141,000</td>
<td>22,452,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>607,000</td>
<td>789,000</td>
<td>1,396,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>101,000</td>
<td>36,000</td>
<td>137,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>246,000</td>
<td>763,000</td>
<td>1,009,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>2,194,000</td>
<td>1,157,000</td>
<td>3,351,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>180,507,000</td>
<td>53,428,000</td>
<td>233,935,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>67,000</td>
<td>7,463,000</td>
<td>7,530,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>21,191,000</td>
<td>43,780,000</td>
<td>64,971,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>502,000</td>
<td>323,000</td>
<td>825,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>5,144,000</td>
<td>—</td>
<td>5,144,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>5,998,000</td>
<td>25,913,000</td>
<td>31,911,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>23,889,000</td>
<td>28,201,000</td>
<td>52,090,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>339,721,000</td>
<td>54,964,000</td>
<td>394,685,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>33,381,000</td>
<td>14,000</td>
<td>47,381,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>397,486,000</td>
<td>166,132,000</td>
<td>563,618,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>577,993,000</td>
<td>219,560,000</td>
<td>797,553,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflows of resources</td>
<td>909,000</td>
<td>—</td>
<td>909,000</td>
</tr>
</tbody>
</table>

### Liabilities

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>5,250,000</td>
<td>4,712,000</td>
<td>9,962,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>16,815,000</td>
<td>2,857,000</td>
<td>19,672,000</td>
</tr>
<tr>
<td>Accrued compensated absences, current portion</td>
<td>7,567,000</td>
<td>1,887,000</td>
<td>8,454,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>21,052,000</td>
<td>5,212,000</td>
<td>26,264,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, current portion</td>
<td>899,000</td>
<td>500,000</td>
<td>1,399,000</td>
</tr>
<tr>
<td>Long-term debt obligations, current portion</td>
<td>4,951,000</td>
<td>1,891,000</td>
<td>6,842,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, current portion</td>
<td>1,143,000</td>
<td>1,390,000</td>
<td>2,533,000</td>
</tr>
<tr>
<td>Depository accounts, current portion</td>
<td>2,179,000</td>
<td>322,000</td>
<td>2,501,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>60,009,000</td>
<td>15,355,000</td>
<td>75,364,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>3,328,000</td>
<td>59,000</td>
<td>3,387,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>3,354,000</td>
<td>5,445,000</td>
<td>8,799,000</td>
</tr>
<tr>
<td>Grants refundable</td>
<td>6,486,000</td>
<td>1,887,000</td>
<td>8,373,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>35,680,000</td>
<td>18,506,000</td>
<td>54,186,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>166,829,000</td>
<td>66,215,000</td>
<td>233,044,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>10,886,000</td>
<td>4,989,000</td>
<td>15,875,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>54,000</td>
<td>1,742,000</td>
<td>1,796,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>223,626,000</td>
<td>98,843,000</td>
<td>322,469,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>283,635,000</td>
<td>114,198,000</td>
<td>397,833,000</td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred inflows of resources</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

### Net Position

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net investment in capital assets</strong></td>
<td>154,712,000</td>
<td>12,419,000</td>
<td>167,131,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>5,998,000</td>
<td>22,264,000</td>
<td>28,262,000</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>737,000</td>
<td>4,165,000</td>
<td>4,902,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loans</td>
<td>1,300,000</td>
<td>—</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Capital projects</td>
<td>6,000</td>
<td>—</td>
<td>6,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>2,929,000</td>
<td>18,036,000</td>
<td>20,965,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>129,585,000</td>
<td>48,478,000</td>
<td>178,063,000</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$ 295,267,000</td>
<td>105,362,000</td>
<td>400,629,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
Supplementary Schedule

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

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

See accompanying independent auditors’ report.
# Statement of Cash Flows

## Year ended June 30, 2014

### Cash flows from operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$ 119,981,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>624,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>2,878,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>628,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>48,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(60,628,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(225,141,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(61,719,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>14,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>3,150,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>17,556,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>10,603,000</td>
</tr>
</tbody>
</table>

**Net cash used in operating activities**

(192,006,000)

### Cash flows from noncapital financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>121,833,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>64,535,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>41,342,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>591,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>104,322,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(104,262,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>15,924,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(15,755,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>1,439,000</td>
</tr>
</tbody>
</table>

**Net cash provided by noncapital financing activities**

229,969,000

### Cash flows from capital and related financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>12,272,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>—</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>646,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>23,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(12,248,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(12,215,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(5,585,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(11,621,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>577,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>1,079,000</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

**Net cash used in capital and related financing activities**

(27,072,000)
## Statement of Cash Flows

Year ended June 30, 2014

### Cash flow investing activities:

- Proceeds from sales of investments $475,044,000
- Purchases of investments $(486,201,000)
- Investment income proceeds 1,068,000

Net cash provided by investing activities $(10,089,000)

### Net decrease in cash and cash equivalents 802,000

Cash and cash equivalents at beginning of year 200,000

### Cash and cash equivalents at end of year $1,002,000

#### Summary of cash and cash equivalents at end of year:

- Cash and cash equivalents $935,000
- Restricted cash and cash equivalents 67,000

Total cash and cash equivalents at end of year $1,002,000

### Reconciliation of operating loss to net cash used in operating activities:

- Operating loss $(217,710,000)

#### Adjustments to reconcile operating loss to net cash used in operating activities:

- Depreciation and amortization 21,580,000

#### Change in assets and liabilities:

- Accounts receivable, net (622,000)
- Notes receivable —
- Student loans receivable, net (2,000)
- Pledges receivable, net —
- Prepaid expenses and other assets (458,000)
- Accounts payable (54,000)
- Accrued salaries and benefits 1,067,000
- Accrued compensated absences 664,000
- Unearned revenue 1,670,000
- Depository accounts —
- Other postemployment benefits obligation 1,632,000
- Other liabilities 227,000

Net cash used in operating activities $(192,006,000)

### Supplemental schedule of noncash transactions:

- Contributed capital assets $868,000
- Amortization of net bond premium 707,000
- Amortization of loss on debt refundings 77,000
- Capital assets paid by the Office of the Chancellor 48,000
- Change in accrued capital asset purchases (842,000)

See accompanying independent auditors’ report.
### Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs
- $2,631,000

### Payments from discretely presented component units for other than salaries
- $3,889,000

### Payments to discretely presented component units for services, space, and programs
- $3,124,000

### Gifts in kind from discretely presented component units
- $37,000

### Gifts (cash or assets) from discretely presented component units
- $877,000

### Accounts receivable from discretely presented component units
- $2,095,000

### Other amounts receivable from discretely presented component units
- $0

### Accounts payable to discretely presented component units
- $(556,000)

### Other amounts payable to discretely presented component units
- $(1,089,000)

### Payments to the Office of the Chancellor for administrative activities
- $286,000

### Payments to the Office of the Chancellor for state pro rata charges
- $1,145,000

### Accounts receivable from the Office of the Chancellor
- $371,000

### Accounts payable to the Office of the Chancellor
- $0

### Accounts receivable from campuses other than the Office of the Chancellor
- $0

### Accounts payable to campuses other than the Office of the Chancellor
- $0

### State lottery appropriations received
- $1,894,000

### State lottery appropriations receivable
- $0
**Supplementary Schedule**

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**  
**Statement of Net Position**  
**June 30, 2014**

### Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$17,000</td>
<td>6,580,000</td>
<td>6,597,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>86,865,000</td>
<td>13,023,000</td>
<td>99,888,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,779,000</td>
<td>2,478,000</td>
<td>5,257,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>440,000</td>
<td>440,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,003,000</td>
<td>149,000</td>
<td>1,152,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>90,664,000</td>
<td>22,670,000</td>
<td>113,334,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>130,000</td>
<td>130,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>708,000</td>
<td></td>
<td>708,000</td>
</tr>
<tr>
<td>Leases receivable, net, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,042,000</td>
<td></td>
<td>1,042,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>542,000</td>
<td>542,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>—</td>
<td>24,458,000</td>
<td>24,458,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>235,000</td>
<td>5,430,000</td>
<td>5,665,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>320,607,000</td>
<td>6,473,000</td>
<td>327,080,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>55,000</td>
<td>91,000</td>
<td>146,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>322,647,000</td>
<td>37,124,000</td>
<td>359,771,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>413,311,000</td>
<td>59,794,000</td>
<td>473,105,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

| Deferred outflows of resources                  | 1,763,000    |                                      | 1,763,000   |

### Liabilities

| Current liabilities:                            |              |                                      |             |
| Accounts payable                                | 3,021,000    | 1,572,000                            | 4,593,000   |
| Accrued salaries and benefits                   | 9,849,000    | 537,000                              | 10,386,000  |
| Accrued compensated absences, current portion   | 5,083,000    | 129,000                              | 5,212,000   |
| Unearned revenue                                | 6,052,000    |                                      | 6,052,000   |
| Capitalized lease obligations, current portion  | 3,944,000    |                                      | 3,944,000   |
| Claims liability for losses and loss adjustment expenses, current portion | — | — | — |
| Depository accounts, current portion            | —            | —                                    | —           |
| **Total current liabilities**                   | 30,451,000   | 3,691,000                            | 34,142,000  |

| Noncurrent liabilities:                         |              |                                      |             |
| Accrued compensated absences, net of current portion | 3,183,000    | 206,000                              | 3,389,000   |
| Unearned revenue                                | 1,437,000    | 71,000                               | 1,508,000   |
| Capitalized lease obligations, net of current portion | — | — | — |
| Long-term debt obligations, net of current portion | 107,959,000  | —                                   | 107,959,000 |
| Claims liability for losses and loss adjustment expenses, net of current portion | — | — | — |
| Depository accounts                             | 219,000      |                                      | 219,000     |
| Other postemployment benefits obligation        | 3,450,000    | 5,173,000                            | 8,623,000   |
| Other liabilities                               | 1,927,000    |                                      | 1,927,000   |
| **Total noncurrent liabilities**                | 116,248,000  | 7,377,000                            | 123,625,000 |
| **Total liabilities**                           | 146,699,000  | 11,068,000                           | 157,767,000 |

### Deferred Inflows of Resources

| Deferred inflows of resources                   | —            |                                      | —           |

### Net Position

| Net position:                                   |              |                                      |             |
| Net investment in capital assets                | 211,505,000  | 6,473,000                            | 217,978,000 |
| Restricted for:                                 |              |                                      |             |
| Nonexpendable – endowments                      | —            | 18,646,000                           | 18,646,000  |
| Expendable:                                     |              |                                      |             |
| Scholarships and fellowships                    | 428,000      | 5,551,000                            | 5,979,000   |
| Research                                        | —            | —                                    | —           |
| Loans                                           | 565,000      |                                      | 565,000     |
| Capital projects                                | 277,000      |                                      | 277,000     |
| Debt service                                    | —            | 12,217,000                           | 12,217,000  |
| Other                                           | —            | 12,217,000                           | 12,217,000  |
| Unrestricted                                    | 55,600,000   | 5,839,000                            | 61,439,000  |
| **Total net position**                          | $268,375,000 | 48,726,000                           | 317,101,000 |

See accompanying independent auditors’ report.
### Revenues:

**Operating revenues:**
- Student tuition and fees (net of scholarship allowances of $68,123,000) $ 68,239,000
- Grants and contracts, noncapital:
  - Federal: $13,914,000
  - State: $8,079,000
  - Local: $414,000
- Sales and services of educational activities: $171,000
- Sales and services of auxiliary enterprises (net of scholarship allowances of $4,689,000): $10,021,000
- Other operating revenues: $7,003,000

**Total operating revenues** 85,434,000

**Expenses:**
- Instruction: $85,054,000
- Research: $348,000
- Public service: $1,087,000
- Academic support: $21,184,000
- Student services: $23,702,000
- Institutional support: $29,855,000
- Operation and maintenance of plant: $19,979,000
- Student grants and scholarships: $40,058,000
- Auxiliary enterprise expenses: $9,026,000
- Depreciation and amortization: $18,337,000

**Total operating expenses** 248,630,000

**Operating loss** (163,196,000)

**Nonoperating revenues (expenses):**
- State appropriations, noncapital: $81,530,000
- Federal financial aid grants, noncapital: $47,402,000
- State financial aid grants, noncapital: $27,058,000
- Local financial aid grants, noncapital: $43,000
- Nongovernmental and other financial aid grants, noncapital: $85,000
- Gifts, noncapital: $8,000
- Investment income, net: $683,000
- Endowment income, net: $3,526,000
- Interest expense: $(4,788,000)
- Other nonoperating revenues: $2,723,000

**Net nonoperating revenues** 154,744,000

**Income (loss) before other revenues and expenses** (8,452,000)

**State appropriations, capital:**
- Grants and gifts, capital: $171,000

**Additions to permanent endowments:**
- Increase (decrease) in net position: $(8,281,000)

**Net position:**
- Net position at beginning of year, as previously reported: $276,656,000
- Restatements: $41,440,000

**Net position at beginning of year, as restated:** $318,096,000

**Net position at end of year** $268,375,000

See accompanying independent auditors’ report.
Supplementary Schedule

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows

Year ended June 30, 2014

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

(Continued)
**Supplementary Schedule**

**CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO**

Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow investing activities:</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>$ 343,667,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(348,523,000)</td>
</tr>
<tr>
<td>Investment income proceeds</td>
<td>578,000</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>(4,278,000)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>—</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$ 17,000</td>
</tr>
<tr>
<td><strong>Summary of cash and cash equivalents at end of year:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 17,000</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents at end of year</strong></td>
<td>$ 17,000</td>
</tr>
</tbody>
</table>

Reconciliation of operating loss to net cash used in operating activities:

<table>
<thead>
<tr>
<th>Operating loss</th>
<th>$ (163,196,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>18,337,000</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(92,000)</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>286,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>847,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>394,000</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>467,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>810,000</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>677,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(322,000)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$ (141,792,000)</td>
</tr>
</tbody>
</table>

Supplemental schedule of noncash transactions:

| Acquisition of capital assets through long-term debt obligations | $ 1,140,000 |
| Amortization of net bond premium | 488,000 |
| Gifts in kind | 171,000 |
| Amortization of loss on debt refundings | 129,000 |
| Capital assets paid by the Office of the Chancellor | 128,000 |
| Change in accrued capital asset purchases | (62,000) |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
Transactions with Related Entities
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
## Statement of Net Position

### June 30, 2014

### Assets

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$23,000</td>
<td>30,263,000</td>
<td>30,286,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>263,477,000</td>
<td>28,607,000</td>
<td>292,084,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>10,057,000</td>
<td>39,941,000</td>
<td>49,998,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td>263,000</td>
<td>263,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td>8,363,000</td>
<td>8,363,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>2,351,000</td>
<td>5,692,000</td>
<td>8,043,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>275,908,000</td>
<td>113,129,000</td>
<td>389,037,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>124,000</td>
<td>124,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>5,321,000</td>
<td>1,893,000</td>
<td>7,214,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>7,247,000</td>
<td></td>
<td>7,247,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>10,128,000</td>
<td>10,128,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td>201,131,000</td>
<td>201,131,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>43,599,000</td>
<td>52,910,000</td>
<td>96,509,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>573,311,000</td>
<td>147,081,000</td>
<td>720,392,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>633,848,000</td>
<td>454,941,000</td>
<td>1,088,789,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>909,756,000</td>
<td>546,941,000</td>
<td>1,456,697,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

| Deferred outflows of resources        | 3,468,000       | 634,000                              | 4,102,000      |

### Liabilities

| **Current liabilities:**              |                 |                                      |                |
| Accounts payable                      | 20,255,000      | 8,542,000                            | 28,797,000     |
| Accrued salaries and benefits         | 21,149,000      | 4,695,000                            | 25,844,000     |
| Accrued compensated absences, current portion | 6,585,000      | 3,556,000                            | 10,141,000     |
| Unearned revenue                      | 17,954,000      | 5,370,000                            | 23,324,000     |
| Capitalized lease obligations, current portion | 1,378,000      | 47,000                               | 1,425,000      |
| Long-term debt obligations, current portion | 46,091,000    | 2,606,000                            | 48,697,000     |
| Claims liability for losses and loss adjustment expenses, current portion |             |                                       |                |
| Depository accounts, current portion  | 3,000           |                                       | 3,000          |
| **Total current liabilities**         | 121,225,000     | 59,363,000                           | 180,588,000    |
| **Noncurrent liabilities:**           |                 |                                      |                |
| Accrued compensated absences, net of current portion | 11,257,000      |                                       | 11,257,000     |
| Unearned revenue                      | 7,565,000       |                                       | 7,565,000      |
| Capitalized lease obligations, net of current portion | 30,407,000     | 34,000                               | 64,407,000     |
| Long-term debt obligations, net of current portion | 210,572,000   | 109,154,000                          | 319,726,000    |
| Claims liability for losses and loss adjustment expenses, net of current portion |             |                                       |                |
| Depository accounts                   | 14,000          | 124,000                              | 138,000        |
| Other postemployment benefits obligation | 6,059,000      | 14,086,000                           | 20,145,000     |
| **Total noncurrent liabilities**      | 267,618,000     | 132,952,000                          | 400,570,000    |
| **Total liabilities**                 | 388,843,000     | 192,315,000                          | 581,158,000    |

### Deferred Inflows of Resources

| Deferred inflows of resources         |                 |                                       |                |

### Net Position

| Net position:                         |                 |                                       |                |
| Net investment in capital assets      | 318,270,000     | 35,946,000                           | 354,216,000    |
| Restricted for:                       |                 |                                       |                |
| Nonexpendable – endowments            |                 | 115,588,000                          | 115,588,000    |
| Expendable:                           |                 |                                       |                |
| Scholarships and fellowships          |                 | 35,066,000                           | 35,066,000     |
| Research                              |                 | 11,585,000                           | 11,585,000     |
| Loans                                 |                 |                                       | 91,000         |
| Capital projects                      | 3,126,000       | 8,824,000                            | 11,950,000     |
| Debt service                          |                 |                                       |                |
| Other                                 |                 | 91,372,000                           | 91,372,000     |
| Unrestricted                          | 202,894,000     | 56,879,000                           | 259,773,000    |
| **Total net position**                | 524,381,000     | 355,260,000                          | 879,641,000    |

See accompanying independent auditors’ report.
## Supplementary Schedule

**San Diego State University**

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

### Revenues:

<table>
<thead>
<tr>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Operating revenues:

- Student tuition and fees (net of scholarship allowances of $78,404,000): $196,303,000

#### Grants and contracts, noncapital:

- Federal: $361,000
- State: $895,000
- Local: $250,000
- Nongovernmental: $20,521,000

#### Sales and services of educational activities: $20,521,000

### Expenses:

<table>
<thead>
<tr>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Operating expenses:

- Instruction: $159,600,000
- Research: $2,322,000
- Public service: $3,981,000
- Academic support: $47,266,000
- Student services: $73,646,000
- Institutional support: $32,095,000
- Operation and maintenance of plant: $47,587,000
- Student grants and scholarships: $67,338,000
- Auxiliary enterprise expenses: $30,372,000
- Depreciation and amortization: $30,895,000

### Nonoperating revenues (expenses):

- State appropriations, noncapital: 148,448,000
- Federal financial aid grants, noncapital: 50,988,000
- State financial aid grants, noncapital: 32,359,000
- Local financial aid grants, noncapital: —
- Nongovernmental and other financial aid grants, noncapital: 7,716,000
- Other federal nonoperating grants, noncapital: —
- Gifts, noncapital: 9,489,000
- Investment income, net: 2,140,000
- Endowment income, net: —
- Interest expense: (7,711,000)
- Other nonoperating revenues (expenses): 3,332,000

### Net nonoperating revenues: 246,761,000

### Income before other revenues and expenses: 18,371,000

### State appropriations, capital: 255,000

### Grants and gifts, capital: 1,786,000

### Additions to permanent endowments: —

### Increase in net position: 20,412,000

### Net position:

- Net position at beginning of year, as previously reported: 503,969,000
- Net position at beginning of year, as restated: 503,969,000
- Net position at end of year: $524,381,000

See accompanying independent auditors’ report.
SAN DIEGO STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2014

Cash flows from operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$197,351,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>366,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>895,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>250,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(107,993,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(288,016,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(67,338,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>18,447,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>32,527,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>15,752,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(197,759,000)</td>
</tr>
</tbody>
</table>

Cash flows from noncapital financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>148,448,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>50,988,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>32,359,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>7,716,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>9,489,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>112,677,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(112,848,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>16,672,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(22,398,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>4,235,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>247,338,000</td>
</tr>
</tbody>
</table>

Cash flows from capital and related financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>55,411,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>1,814,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>20,426,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>847,000</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>82,000</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(106,975,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(16,401,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(8,707,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(11,496,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(64,999,000)</td>
</tr>
</tbody>
</table>
SAN DIEGO STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2014

Cash flow investing activities:
    Proceeds from sales of investments $ 644,727,000
    Purchases of investments (630,911,000)
    Investment income proceeds 1,606,000
    Net cash provided by investing activities 15,422,000

Net decrease in cash and cash equivalents 2,000
Cash and cash equivalents at beginning of year 21,000
Cash and cash equivalents at end of year $ 23,000

Summary of cash and cash equivalents at end of year:
    Cash and cash equivalents $ 23,000
    Restricted cash and cash equivalents —
    Total cash and cash equivalents at end of year $ 23,000

Reconciliation of operating loss to net cash used in operating activities:
    Operating loss $ (228,390,000)
    Depreciation and amortization 30,895,000
    Change in assets and liabilities:
        Accounts receivable, net (1,268,000)
        Notes receivable —
        Student loans receivable, net —
        Pledges receivable, net —
        Prepaid expenses and other assets (535,000)
        Accounts payable (6,376,000)
        Accrued salaries and benefits 105,000
        Accrued compensated absences 1,118,000
        Unearned revenue 2,495,000
        Depository accounts 186,000
        Other postemployment benefits obligation 974,000
        Other liabilities 3,037,000
    Net cash used in operating activities $ (197,759,000)

Supplemental schedule of noncash transactions:
    Contributed capital assets $ 940,000
    Capital assets paid by the Office of the Chancellor 752,000
    Amortization of net bond premium 721,000
    Amortization of loss on debt refundings 259,000
    Change in accrued capital asset purchases (7,620,000)

See accompanying independent auditors’ report.
SAN DIEGO STATE UNIVERSITY
Transactions with Related Entities
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
## SAN FRANCISCO STATE UNIVERSITY

**Statement of Net Position**

**June 30, 2014**

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$11,000</td>
<td>1,288,000</td>
<td>1,299,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>168,740,000</td>
<td>23,539,000</td>
<td>192,279,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,145,000</td>
<td>3,475,000</td>
<td>11,620,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>29,000</td>
<td>29,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>288,000</td>
<td>288,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>2,727,000</td>
<td>60,000</td>
<td>2,787,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>179,623,000</td>
<td>28,679,000</td>
<td>208,302,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>220,000</td>
<td>—</td>
<td>220,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>8,725,000</td>
<td>—</td>
<td>8,725,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>386,000</td>
<td>386,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>2,692,000</td>
<td>45,297,000</td>
<td>47,989,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>11,789,000</td>
<td>33,894,000</td>
<td>45,683,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>525,480,000</td>
<td>1,853,000</td>
<td>527,333,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>417,000</td>
<td>155,000</td>
<td>572,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>549,323,000</td>
<td>81,585,000</td>
<td>630,908,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>728,946,000</td>
<td>110,264,000</td>
<td>839,210,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

|                        |        |                                 |       |
| Deferred outflows of resources | $3,738,000 | —              | 3,738,000 |

### Liabilities

|                        |        |                                 |       |
| **Current liabilities:** |        |                                 |       |
| Accounts payable | 7,185,000 | 1,153,000             | 8,338,000 |
| Accrued salaries and benefits | 21,966,000 | 195,000             | 22,161,000 |
| Accrued compensated absences, current portion | 10,728,000 | 56,000             | 10,784,000 |
| Unearned revenue | 20,482,000 | 318,000             | 20,800,000 |
| Capitalized lease obligations, current portion | 220,000 | —              | 220,000 |
| Long-term debt obligations, current portion | 6,985,000 | —             | 6,985,000 |
| Claims liability for losses and loss adjustment expenses, current portion | — | —             | — |
| Depository accounts, current portion | 2,803,000 | —              | 2,803,000 |
| Other liabilities | 6,234,000 | 2,250,000           | 8,484,000 |
| **Total current liabilities** | 76,603,000 | 3,972,000 | 80,575,000 |
| **Noncurrent liabilities:** |        |                                 |       |
| Accrued compensated absences, net of current portion | 6,432,000 | 186,000            | 6,618,000 |
| Unearned revenue | 489,000 | 152,000            | 641,000 |
| Capitalized lease obligations, net of current portion | 8,880,000 | —            | 8,880,000 |
| Long-term debt obligations, net of current portion | 462,000 | —             | 462,000 |
| Claims liability for losses and loss adjustment expenses, net of current portion | 231,905,000 | —           | 231,905,000 |
| Depository accounts | — | —              | — |
| Other postemployment benefits obligation | 12,546,000 | —             | 12,546,000 |
| Other liabilities | 1,913,000 | 1,367,000 | 3,280,000 |
| **Total noncurrent liabilities** | 262,138,000 | 1,705,000 | 263,843,000 |
| **Total liabilities** | 338,741,000 | 5,677,000 | 344,418,000 |

### Deferred Inflows of Resources

|                        |        |                                 |       |
| Deferred inflows of resources | — | —              | 240,000 |
| **Net Position** |        |                                 |       |

#### Net position:

|                        |        |                                 |       |
| Net investment in capital assets | 289,645,000 | 1,853,000             | 291,498,000 |
| Restricted for: |        |                                 |       |
| Nonexpendable – endowments | 2,692,000 | 45,297,000             | 47,989,000 |
| Expendable: |        |                                 |       |
| Scholarships and fellowships | — | 27,102,000             | 27,102,000 |
| Research | — | —              | — |
| Loans | 489,000 | —             | 489,000 |
| Capital projects | 83,000 | 7,028,000 | 7,111,000 |
| Debt service | — | —              | — |
| Other | 101,034,000 | 22,935,000 | 123,969,000 |
| **Unrestricted** |        |                                 |       |
| **Total net position** | $393,943,000 | 104,347,000 | 498,290,000 |

See accompanying independent auditors’ report.
## Supplementary Schedule

**SAN FRANCISCO STATE UNIVERSITY**

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

### Revenues:

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Campus</th>
<th>Discretely Presented Component Units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $64,738,000)</td>
<td>$154,115,000</td>
<td>6,324,000</td>
<td>—</td>
<td>160,439,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>21,351,000</td>
<td>81,000</td>
<td>—</td>
<td>21,432,000</td>
</tr>
<tr>
<td>State</td>
<td>1,915,000</td>
<td>541,000</td>
<td>—</td>
<td>2,456,000</td>
</tr>
<tr>
<td>Local</td>
<td>2,274,000</td>
<td>23,000</td>
<td>—</td>
<td>2,297,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>2,148,000</td>
<td>1,059,000</td>
<td>—</td>
<td>3,207,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>698,000</td>
<td></td>
<td>—</td>
<td>698,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>46,132,000</td>
<td>8,113,000</td>
<td>—</td>
<td>54,245,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>7,810,000</td>
<td></td>
<td>—</td>
<td>10,726,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>236,443,000</td>
<td>19,057,000</td>
<td>—</td>
<td>255,500,000</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Campus</th>
<th>Discretely Presented Component Units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>163,134,000</td>
<td>361,000</td>
<td>—</td>
<td>163,495,000</td>
</tr>
<tr>
<td>Research</td>
<td>16,434,000</td>
<td>419,000</td>
<td>—</td>
<td>16,853,000</td>
</tr>
<tr>
<td>Public service</td>
<td>4,382,000</td>
<td>1,404,000</td>
<td>—</td>
<td>5,586,000</td>
</tr>
<tr>
<td>Academic support</td>
<td>42,661,000</td>
<td>2,132,000</td>
<td>—</td>
<td>44,793,000</td>
</tr>
<tr>
<td>Student services</td>
<td>32,681,000</td>
<td>5,699,000</td>
<td>—</td>
<td>38,380,000</td>
</tr>
<tr>
<td>Institutional support</td>
<td>39,671,000</td>
<td>2,442,000</td>
<td>—</td>
<td>42,113,000</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>40,727,000</td>
<td></td>
<td>—</td>
<td>40,727,000</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>62,286,000</td>
<td>1,505,000</td>
<td>1,173,000</td>
<td>62,618,000</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>34,719,000</td>
<td>7,223,000</td>
<td>—</td>
<td>41,942,000</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>28,622,000</td>
<td>814,000</td>
<td>—</td>
<td>29,436,000</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>465,117,000</td>
<td>21,999,000</td>
<td>(1,173,000)</td>
<td>485,943,000</td>
</tr>
</tbody>
</table>

### Operating loss

| Operating loss | (228,674,000) | (2,942,000) | 1,173,000 | (230,443,000) |

### Nonoperating revenues (expenses):

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Campus</th>
<th>Discretely Presented Component Units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations, noncapital</td>
<td>126,358,000</td>
<td></td>
<td>—</td>
<td>126,358,000</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>52,872,000</td>
<td></td>
<td>—</td>
<td>52,872,000</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>27,313,000</td>
<td></td>
<td>—</td>
<td>27,313,000</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>1,439,000</td>
<td>4,663,000</td>
<td>(1,173,000)</td>
<td>4,929,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>1,559,000</td>
<td>11,473,000</td>
<td>—</td>
<td>13,032,000</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>5,000</td>
<td></td>
<td>—</td>
<td>5,000</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(10,630,000)</td>
<td></td>
<td>—</td>
<td>(10,630,000)</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>3,040,000</td>
<td>(1,263,000)</td>
<td>—</td>
<td>1,777,000</td>
</tr>
</tbody>
</table>

### Net nonoperating revenues

| Net nonoperating revenues | 201,956,000 | 14,873,000 | (1,173,000) | 215,656,000 |

### Income (loss) before other revenues and expenses

| Income (loss) before other revenues and expenses | (26,718,000) | 11,931,000 | — | (14,787,000) |

### State appropriations, capital

| State appropriations, capital | (1,000) | — | — | (1,000) |

### Grants and gifts, capital

| Grants and gifts, capital | 426,000 | — | — | 426,000 |

### Additions to permanent endowments

| Additions to permanent endowments | — | 700,000 | — | 700,000 |

### Increase (decrease) in net position

| Increase (decrease) in net position | (26,293,000) | 12,631,000 | — | (13,662,000) |

### Net position:

| Net position at beginning of year, as previously reported | 420,236,000 | 91,716,000 | — | 511,952,000 |

### Restatements

| Net position at beginning of year, as restated | 420,236,000 | 91,716,000 | — | 511,952,000 |

### Net position at end of year

| Net position at end of year | $393,943,000 | 104,347,000 | — | 498,290,000 |

See accompanying independent auditors’ report.
SAN FRANCISCO STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$148,809,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>22,494,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>2,170,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>2,174,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>2,213,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(85,840,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(283,524,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(62,289,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>20,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>698,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>45,598,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>7,456,000</td>
</tr>
</tbody>
</table>

| Net cash used in operating activities | (200,021,000) |

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>126,358,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>52,872,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>27,313,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>1,439,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>111,123,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(111,518,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>5,382,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(5,634,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>3,797,000</td>
</tr>
</tbody>
</table>

| Net cash provided by noncapital financing activities | 211,132,000 |

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>61,529,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>497,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(7,016,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>(61,218,000)</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(6,693,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(10,490,000)</td>
</tr>
</tbody>
</table>

| Net cash used in capital and related financing activities | (23,391,000) |
SAN FRANCISCO STATE UNIVERSITY  
Statement of Cash Flows  
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
Supplementary Schedule

SAN FRANCISCO STATE UNIVERSITY
Transactions with Related Entities
Year ended June 30, 2014

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

See accompanying independent auditors’ report.
## Supplementary Schedule

### SAN JOSE STATE UNIVERSITY

**Statement of Net Position**

**June 30, 2014**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$24,000</td>
<td>38,890,000</td>
<td>38,914,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>204,487,000</td>
<td>31,169,000</td>
<td>235,656,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>7,161,000</td>
<td>8,603,000</td>
<td>15,764,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>166,000</td>
<td>62,000</td>
<td>228,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>2,639,000</td>
<td>1,626,000</td>
<td>4,265,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>214,477,000</td>
<td>82,806,000</td>
<td>297,283,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>484,000</td>
<td>484,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>30,255,000</td>
<td></td>
<td>30,255,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>478,000</td>
<td></td>
<td>478,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td>4,206,000</td>
<td>4,206,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>7,093,000</td>
<td></td>
<td>7,093,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>9,021,000</td>
<td>9,021,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>1,586,000</td>
<td>117,257,000</td>
<td>118,843,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>40,719,000</td>
<td></td>
<td>40,719,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>469,886,000</td>
<td>20,297,000</td>
<td>490,183,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,880,000</td>
<td>9,802,000</td>
<td>12,682,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>552,897,000</td>
<td>166,426,000</td>
<td>719,323,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>767,374,000</td>
<td>249,232,000</td>
<td>1,016,606,000</td>
</tr>
</tbody>
</table>

**Deferred Outflows of Resources**

| Deferred outflows of resources             |        |                                      |        |
| current liabilities                       | 8,028,000 |                                      | 8,028,000|

**Liabilities**

| current liabilities                       |        |                                      |        |
| Accounts payable                         | 22,068,000 | 5,069,000                           | 27,137,000|
| Accrued salaries and benefits            | 19,668,000 | 2,618,000                           | 22,286,000|
| Accrued compensated absences, current portion | 5,557,000 | 1,907,000                           | 7,464,000|
| Unearned revenue                         | 29,512,000 | 8,957,000                           | 38,469,000|
| Capitalized lease obligations, current portion | 166,000 | 166,000                            | 332,000|
| Long-term debt obligations, current portion | 34,206,000 | 129,000                           | 34,335,000|
| Claims liability for losses and loss adjustment expenses, current portion | 477,000 |                                      | 477,000|
| Other liabilities                        | 4,586,000 | 2,428,000                           | 7,014,000|
| **Total current liabilities**             | 116,240,000 | 21,274,000                          | 137,514,000|

| Noncurrent liabilities                    |        |                                      |        |
| Accrued compensated absences, net of current portion | 7,996,000 | 234,000                         | 8,230,000|
| Unearned revenue                         | 7,050,000 | 1,071,000                           | 8,121,000|
| Capitalized lease obligations, net of current portion | 10,290,000 |                                      | 10,290,000|
| Long-term debt obligations, net of current portion | 478,000 | 478,000                           | 956,000|
| Capitalized lease obligations, net of current portion | 307,320,000 | 2,312,000                          | 309,632,000|
| Claims liability for losses and loss adjustment expenses, net of current portion | 541,000 |                                      | 541,000|
| Other postemployment benefits obligation  | 12,438,000 | 15,703,000                          | 28,141,000|
| Other liabilities                        | 394,000 | 612,000                            | 1,006,000|
| **Total noncurrent liabilities**          | 345,966,000 | 20,951,000                          | 366,917,000|
| **Total liabilities**                     | 462,206,000 | 42,225,000                          | 504,431,000|

**Deferred Inflows of Resources**

| Deferred inflows of resources             |        |                                      |        |
| current liabilities                       |        |                                      |        |
| Noncurrent liabilities                    |        |                                      |        |
| Restricted for:                           |        |                                      |        |
| Net position                              |        |                                      |        |
| Net investment in capital assets          | 143,030,000 | 17,212,000                          | 160,242,000|
| Restricted:                               |        |                                      |        |
| Nonexpendable – endowments                | 1,586,000 | 89,462,000                          | 91,048,000|
| Expendable:                               |        |                                      |        |
| Scholarships and fellowships              | 2,637,000 | 1,816,000                          | 4,453,000|
| Research                                  |        | 38,000                              | 38,000|
| Loans                                     | 5,357,000 |                                      | 5,357,000|
| Capital projects                          | 39,185,000 |                                      | 39,185,000|
| Debt service                              |        |                                      |        |
| Other                                     |        | 68,854,000                          | 68,854,000|
| Unrestricted                              | 121,401,000 | 29,625,000                          | 151,026,000|
| **Total net position**                    | $ 313,196,000 | 207,007,000                          | 520,203,000|

See accompanying independent auditors’ report.
## SAN JOSE STATE UNIVERSITY

**Statement of Revenues, Expenses, and Changes in Net Position**

**Year ended June 30, 2014**

### Revenues:

- **Operating revenues:**
  - Student tuition and fees (net of scholarship allowances of $72,211,000) $188,919,000
  - Grants and contracts, noncapital:
    - Federal
    - State
    - Local
    - Nongovernmental
  - Sales and services of educational activities 7,593,000
  - Sales and services of auxiliary enterprises (net of scholarship allowances of $5,255,000) 32,440,000
  - Other operating revenues 13,941,000

- **Total operating revenues** 242,893,000

### Expenses:

- **Operating expenses:**
  - Instruction
  - Research
  - Public service
  - Academic support
  - Student services
  - Institutional support
  - Operation and maintenance of plant
  - Student grants and scholarships
  - Auxiliary enterprise expenses
  - Depreciation and amortization

- **Total operating expenses** 396,961,000

### Operating loss (154,068,000)

### Nonoperating revenues (expenses):

- State appropriations, noncapital 116,082,000
- Federal financial aid grants, noncapital 49,590,000
- State financial aid grants, noncapital 30,768,000
- Local financial aid grants, noncapital 54,346,000
- Nongovernmental and other financial aid grants, noncapital 25,947,000
- Gifts, noncapital 2,078,000
- Investment income, net 1,609,000
- Endowment income, net 6,000
- Interest expense (12,689,000)

- **Other nonoperating revenues (expenses)** 4,396,000

- **Net nonoperating revenues** 191,841,000

### Income before other revenues and expenses 37,773,000

### State appropriations, capital 55,725,000

### Grants and gifts, capital 827,000

### Additions to permanent endowments 0

### Increase in net position 94,325,000

### Net position:

- Net position at beginning of year, as previously reported 218,871,000
- Restatements

- **Net position at beginning of year, as restated** 218,871,000
- Net position at beginning of year, as restated 185,387,000

### Net position at end of year $313,196,000

See accompanying independent auditors’ report.
### SAN JOSE STATE UNIVERSITY

Statement of Cash Flows  
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$ 196,086,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>—</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(78,002,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(259,065,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(37,006,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>25,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>7,593,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>32,113,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>11,516,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(126,740,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>116,082,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>51,598,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>30,768,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>1,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>2,151,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>95,029,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(95,625,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>15,137,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(15,810,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>5,121,000</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>204,452,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from capital and related financing activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>25,863,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>198,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>25,447,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(59,600,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>—</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(8,852,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(17,174,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>161,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(33,957,000)</td>
</tr>
</tbody>
</table>
Supplementary Schedule

SAN JOSE STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2014

Cash flow investing activities:
  Proceeds from sales of investments $ 590,325,000
  Purchases of investments (635,065,000)
  Investment income proceeds (18,000)
  Net cash provided by investing activities (44,758,000)

Cash and cash equivalents at beginning of year 1,027,000

Net decrease in cash and cash equivalents (1,003,000)

Cash and cash equivalents at end of year $ 24,000

Summary of cash and cash equivalents at end of year:
  Cash and cash equivalents $ 24,000
  Restricted cash and cash equivalents —
  Total cash and cash equivalents at end of year $ 24,000

Reconciliation of operating loss to net cash used in operating activities:
  Operating loss $ (154,068,000)

Adjustments to reconcile operating loss to net cash used in operating activities:
  Depreciation and amortization 23,278,000
  Change in assets and liabilities:
    Accounts receivable, net (2,374,000)
    Notes receivables —
    Student loans receivable, net (9,000)
    Pledges receivable, net —
    Prepaid expenses and other assets (415,000)
    Accounts payable (3,256,000)
    Accrued salaries and benefits (71,000)
    Accrued compensated absences 862,000
    Unearned revenue 6,330,000
    Depository accounts —
    Other postemployment benefits obligation 2,508,000
    Other liabilities 475,000
  Net cash used in operating activities $ (126,740,000)

Supplemental schedule of noncash transactions:
  Change in accrued capital asset purchases $ 9,102,000
  Amortization of net bond premium 1,699,000
  Contributed capital assets 827,000
  Amortization of loss on debt refundings 636,000
  Prepaid expenses paid through long-term debt obligation 261,000

See accompanying independent auditors’ report.
### SAN JOSE STATE UNIVERSITY

**Transactions with Related Entities**

**Year ended June 30, 2014**

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

See accompanying independent auditors’ report.
## Statement of Net Position

**June 30, 2014**

### Discretely presented component units

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 17,000</td>
<td>26,574,000</td>
<td>26,591,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>116,062,000</td>
<td>84,356,000</td>
<td>200,418,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,841,000</td>
<td>7,367,000</td>
<td>11,208,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>5,401,000</td>
<td>5,401,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>3,764,000</td>
<td>4,502,000</td>
<td>8,266,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>123,684,000</td>
<td>128,200,000</td>
<td>251,884,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>787,000</td>
<td>787,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>23,000</td>
<td>20,000</td>
<td>43,000</td>
</tr>
<tr>
<td>Leases receivable, net, of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Notes receivable, net, of current portion</td>
<td>4,514,000</td>
<td>—</td>
<td>4,514,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
<td>19,682,000</td>
<td>19,682,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>3,544,000</td>
<td>203,416,000</td>
<td>206,960,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>59,092,000</td>
<td>32,870,000</td>
<td>91,962,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>755,544,000</td>
<td>23,199,000</td>
<td>778,743,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>4,769,000</td>
<td>4,769,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>822,717,000</td>
<td>284,743,000</td>
<td>1,107,460,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>946,401,000</td>
<td>412,943,000</td>
<td>1,359,344,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

**Deferred outflows of resources**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>6,675,000</td>
<td>3,779,000</td>
<td>10,454,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>16,573,000</td>
<td>758,000</td>
<td>17,331,000</td>
</tr>
<tr>
<td>Accrued compensated absences, current portion</td>
<td>6,169,000</td>
<td>958,000</td>
<td>7,127,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>14,987,000</td>
<td>6,339,000</td>
<td>21,326,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, current portion</td>
<td>—</td>
<td>19,682,000</td>
<td>19,682,000</td>
</tr>
<tr>
<td>Long-term debt obligations, current portion</td>
<td>6,590,000</td>
<td>65,000</td>
<td>6,655,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, current portion</td>
<td>—</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Depository accounts, current portion</td>
<td>670,000</td>
<td>1,146,000</td>
<td>1,816,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,793,000</td>
<td></td>
<td>4,793,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>56,457,000</td>
<td>13,060,000</td>
<td>69,517,000</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>6,028,000</td>
<td>45,000</td>
<td>6,073,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>5,990,000</td>
<td>4,996,000</td>
<td>10,986,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>435,765,000</td>
<td>2,560,000</td>
<td>438,325,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, net of current portion</td>
<td>—</td>
<td>6,745,000</td>
<td>6,745,000</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>—</td>
<td>10,003,000</td>
<td>10,003,000</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
<td>—</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,793,000</td>
<td></td>
<td>4,793,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>457,906,000</td>
<td>24,452,000</td>
<td>482,358,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>514,363,000</td>
<td>37,512,000</td>
<td>551,875,000</td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

**Deferred inflows of resources**

<table>
<thead>
<tr>
<th>Net Position</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net position:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>320,740,000</td>
<td>20,573,000</td>
<td>341,313,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>3,544,000</td>
<td>109,068,000</td>
<td>112,612,000</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>4,684,000</td>
<td>21,681,000</td>
<td>26,365,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>9,628,000</td>
<td>9,628,000</td>
</tr>
<tr>
<td>Loans</td>
<td>3,244,000</td>
<td></td>
<td>3,244,000</td>
</tr>
<tr>
<td>Capital projects</td>
<td>792,000</td>
<td>13,560,000</td>
<td>14,352,000</td>
</tr>
<tr>
<td>Debt service</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>199,000</td>
<td>112,691,000</td>
<td>112,890,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>105,719,000</td>
<td>88,230,000</td>
<td>193,949,000</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$ 438,922,000</td>
<td>375,431,000</td>
<td>814,353,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $41,198,000)</td>
<td>$151,929,000</td>
<td>5,710,000</td>
<td>—</td>
<td>157,639,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>11,618,000</td>
<td>—</td>
<td>11,618,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>3,162,000</td>
<td>—</td>
<td>3,162,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>226,000</td>
<td>—</td>
<td>226,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>3,948,000</td>
<td>—</td>
<td>3,948,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>2,465,000</td>
<td></td>
<td>—</td>
<td>2,465,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $2,406,000)</td>
<td>48,442,000</td>
<td>48,438,000</td>
<td>(80,000)</td>
<td>96,800,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>16,507,000</td>
<td>26,857,000</td>
<td>(973,000)</td>
<td>42,391,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>219,343,000</td>
<td>99,959,000</td>
<td>(1,053,000)</td>
<td>318,249,000</td>
</tr>
</tbody>
</table>

| **Expenses:**            |           |                                      |              |            |
| Operating expenses:      |           |                                      |              |            |
| Instruction              | 132,822,000 | 2,090,000                           | (1,145,000)  | 133,677,000 |
| Research                 | 2,070,000  | 15,039,000                           | —            | 17,109,000 |
| Public service           | 553,000    | 10,340,000                           | —            | 10,893,000 |
| Academic support         | 34,435,000 | 7,663,000                            | (37,000)     | 42,061,000 |
| Student services         | 49,520,000 | 19,127,000                           | (126,000)    | 51,061,000 |
| Institutional support    | 32,060,000 | 5,827,000                            | (62,000)     | 37,400,000 |
| Operation and maintenance of plant | 31,635,000 | 5,827,000                            | (62,000)     | 37,400,000 |
| Student grants and scholarships | 18,206,000 | 2,739,000                            | —            | 20,945,000 |
| Auxiliary enterprise expenses | 29,701,000 | 40,974,000                           | (253,000)    | 70,422,000 |
| Depreciation and amortization | 37,952,000 | 2,194,000                            | —            | 40,146,000 |
| **Total operating expenses** | 368,954,000 | 121,191,000                          | (9,208,000)  | 480,937,000 |
| Operating loss           | (149,611,000) | (21,232,000)                       | 8,155,000    | (162,688,000) |

| Nonoperating revenues (expenses): |          |                                      |              |            |
| State appropriations, noncapital | 102,184,000 | —                                     | —            | 102,184,000 |
| Federal financial aid grants, noncapital | 17,791,000 | —                                     | —            | 17,791,000 |
| State financial aid grants, noncapital | 14,879,000 | —                                     | —            | 14,879,000 |
| Local financial aid grants, noncapital | 1,106,000   | —                                     | —            | 1,106,000  |
| Nongovernmental and other financial aid grants, noncapital | 9,167,000   | —                                     | —            | 9,167,000  |
| Other federal nonoperating grants, noncapital | 1,106,000   | —                                     | —            | 1,106,000  |
| Gifts, noncapital           | 7,285,000  | 16,236,000                           | (7,910,000)  | 15,611,000 |
| Investment income, net      | 1,468,000  | 8,496,000                            | —            | 9,964,000  |
| Endowment income, net       | 25,000     | 28,351,000                           | —            | 28,376,000 |
| Interest expense            | (20,261,000) | (143,000)                           | —            | (20,404,000) |
| Other nonoperating revenues | 1,990,000  | 556,000                              | —            | 2,546,000  |
| **Net nonoperating revenues** | 135,634,000 | 53,496,000                           | (7,910,000)  | 181,220,000 |
| Income (loss) before other revenues and expenses | (13,977,000) | 32,264,000                           | 245,000      | 18,532,000 |
| State appropriations, capital | 42,000    | —                                     | —            | 42,000     |
| Grants and gifts, capital   | 13,709,000 | 3,590,000                            | (245,000)    | 17,054,000 |
| Additions to permanent endowments | 18,000     | 3,371,000                            | —            | 3,389,000  |
| **Increase (decrease) in net position** | (208,000) | 39,225,000                           | —            | 39,017,000 |
| Net position:              |           |                                      |              |            |
| Net position at beginning of year, as previously reported | 439,130,000 | 336,206,000                           | —            | 775,336,000 |
| Net position at beginning of year, as restated | 439,130,000 | 336,206,000                           | —            | 775,336,000 |
| Net position at end of year | $438,922,000 | 375,431,000                           | —            | 814,353,000 |

See accompanying independent auditors’ report.
## Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
</tr>
<tr>
<td>Student tuition and fees</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
</tr>
<tr>
<td>State grants and contracts</td>
</tr>
<tr>
<td>Local grants and contracts</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
</tr>
<tr>
<td>Payments to suppliers</td>
</tr>
<tr>
<td>Payments to employees</td>
</tr>
<tr>
<td>Payments to students</td>
</tr>
<tr>
<td>Collections of student loans</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
</tr>
<tr>
<td>Other receipts</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from noncapital financing activities:</strong></td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
</tr>
<tr>
<td>State financial aid grants</td>
</tr>
<tr>
<td>Local financial aid grants</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
</tr>
<tr>
<td>State appropriations</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
</tr>
</tbody>
</table>
## CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

### Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow investing activities:</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>$ 492,020,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(498,985,000)</td>
</tr>
<tr>
<td>Investment income proceeds</td>
<td>1,088,000</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>(5,877,000)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>1,000</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$ 17,000</td>
</tr>
</tbody>
</table>

### Summary of cash and cash equivalents at end of year:

- Cash and cash equivalents: \$ 17,000
- Restricted cash and cash equivalents: —
- Total cash and cash equivalents at end of year: \$ 17,000

### Reconciliation of operating loss to net cash used in operating activities:

- Operating loss: \$ (149,611,000)

### Adjustments to reconcile operating loss to net cash used in operating activities:

- Change in assets and liabilities:
  - Depreciation and amortization: 37,952,000
  - Accounts receivable, net: 443,000
  - Notes receivables: —
  - Student loans receivable, net: (193,000)
  - Pledges receivable, net: (692,000)
  - Prepaid expenses and other assets: 361,000
  - Accounts payable: 738,000
  - Accrued salaries and benefits: 733,000
  - Accrued compensated absences: (1,246,000)
  - Unearned revenue: —
  - Depository accounts: —
  - Other postemployment benefits obligation: 1,911,000
  - Other liabilities: (375,000)

- Net cash used in operating activities: \$ (109,979,000)

### Supplemental schedule of noncash transactions:

- Amortization of net bond premium: \$ 1,879,000
- Contributed capital assets: 1,808,000
- Amortization of loss on debt refundings: 554,000
- Capital assets paid by the Office of the Chancellor: 84,000
- Change in accrued capital asset purchases: (5,846,000)

See accompanying independent auditors’ report.
### CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

**Transactions with Related Entities**

**Year ended June 30, 2014**

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

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

### Statement of Net Position

June 30, 2014

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 7,000</td>
<td>6,930,000</td>
<td>6,937,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>39,721,000</td>
<td>7,264,000</td>
<td>47,085,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,973,000</td>
<td>10,341,000</td>
<td>13,314,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>705,000</td>
<td>—</td>
<td>705,000</td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td>—</td>
<td>1,091,000</td>
<td>1,091,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>1,091,000</td>
<td>1,091,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,549,000</td>
<td>70,000</td>
<td>1,619,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>44,955,000</td>
<td>25,796,000</td>
<td>70,751,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>31,000</td>
<td>—</td>
<td>31,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>20,545,000</td>
<td>—</td>
<td>20,545,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>—</td>
<td>1,489,000</td>
<td>1,489,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>266,000</td>
<td>389,000</td>
<td>655,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>1,785,000</td>
<td>1,785,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>7,614,000</td>
<td>3,920,000</td>
<td>11,534,000</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>255,129,000</td>
<td>25,843,000</td>
<td>280,972,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>255,129,000</td>
<td>25,843,000</td>
<td>280,972,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,000</td>
<td>64,000</td>
<td>66,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>283,587,000</td>
<td>55,257,000</td>
<td>338,844,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>328,542,000</td>
<td>81,053,000</td>
<td>409,595,000</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

|                      |              |                                      |             |
| Deferred outflows of resources | —           | —                                    | 135,000     |

### Liabilities

|                      |              |                                      |             |
| Current liabilities: |              |                                      |             |
| Accounts payable | 5,964,000     | 9,573,000                            | 15,537,000  |
| Accrued salaries and benefits | 8,667,000   | 409,000                              | 9,076,000   |
| Accrued compensated absences, current portion | 3,424,000     | 273,000                              | 3,697,000   |
| Unearned revenue | 7,502,000     | 1,314,000                            | 8,816,000   |
| Capitalized lease obligations, current portion | 1,267,000     | 748,000                              | 2,015,000   |
| Long-term debt obligations, current portion | 8,345,000     | —                                    | 8,345,000   |
| Claims liability for losses and loss adjustment expenses, current portion | —          | —                                    | —           |
| Depository accounts, current portion | 2,000         | —                                    | 2,000       |
| Other liabilities | 1,809,000     | 408,000                              | 2,217,000   |
| **Total current liabilities** | 36,980,000   | 12,725,000                           | 49,705,000  |
| Noncurrent liabilities: |              |                                      |             |
| Accrued compensated absences, net of current portion | 2,398,000     | —                                    | 2,398,000   |
| Unearned revenue | 2,398,000     | 1,326,000                            | 3,724,000   |
| Grants refundable | 403,000       | —                                    | 403,000     |
| Capitalized lease obligations, net of current portion | 1,075,000     | 21,036,000                           | 22,111,000  |
| Long-term debt obligations, net of current portion | 104,087,000   | —                                    | 104,087,000 |
| Claims liability for losses and loss adjustment expenses, net of current portion | —          | —                                    | —           |
| Depository accounts | 819,000       | —                                    | 819,000     |
| Other postemployment benefits obligation | 3,653,000     | 1,683,000                            | 5,336,000   |
| **Total noncurrent liabilities** | 112,435,000  | 24,045,000                           | 136,480,000 |
| **Total liabilities** | 149,415,000  | 36,770,000                           | 186,185,000 |

### Deferred Inflows of Resources

|                      |              |                                      |             |
| Deferred inflows of resources | —           | 629,000                              | 629,000     |

### Net Position

|                      |              |                                      |             |
| Net position:        |              |                                      |             |
| Net investment in capital assets | 164,464,000  | 3,430,000                            | 167,894,000 |
| Restricted for:      |              |                                      |             |
| Nonexpendable – endowments | —        | 19,144,000                           | 19,144,000  |
| Expendable:          |              |                                      |             |
| Scholarships and fellowships | 159,000    | 2,946,000                            | 3,105,000   |
| Research             | 39,000        | —                                    | 39,000      |
| Capital projects     | 1,764,000     | 49,000                               | 1,813,000   |
| Debt service         | 51,000        | 5,239,000                            | 5,290,000   |
| Other                | 12,785,000    | 12,846,000                           | 25,631,000  |
| **Total net position** | 179,262,000  | 43,654,000                           | 222,916,000 |

See accompanying independent auditors’ report.
CALIFORNIA STATE UNIVERSITY, SAN MARCOS
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $27,368,000)</td>
<td>$65,982,000</td>
<td>4,528,000</td>
<td>—</td>
<td>70,510,000</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>—</td>
<td>6,091,000</td>
<td>—</td>
<td>6,091,000</td>
</tr>
<tr>
<td>State</td>
<td>—</td>
<td>738,000</td>
<td>—</td>
<td>738,000</td>
</tr>
<tr>
<td>Local</td>
<td>—</td>
<td>115,000</td>
<td>—</td>
<td>115,000</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>—</td>
<td>499,000</td>
<td>—</td>
<td>499,000</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>35,000</td>
<td>2,871,000</td>
<td>—</td>
<td>2,906,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $0)</td>
<td>6,082,000</td>
<td>8,804,000</td>
<td>—</td>
<td>14,886,000</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>5,332,000</td>
<td>—</td>
<td>—</td>
<td>5,332,000</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>77,431,000</td>
<td>23,646,000</td>
<td>—</td>
<td>101,077,000</td>
</tr>
</tbody>
</table>

| **Expenses:**        |        |                                      |              |          |
| Operating expenses:  |        |                                      |              |          |
| Instruction          | 58,734,000 | 2,778,000 | (152,000) | 61,360,000 |
| Research             | 590,000  | 3,798,000                            | —            | 4,388,000 |
| Public service       | 193,000  | 462,000                              | (69,000) | 586,000   |
| Academic support     | 21,930,000 | 1,103,000 | (39,000) | 22,994,000 |
| Student services     | 15,566,000 | 4,669,000 | (128,000) | 20,107,000 |
| Institutional support | 20,981,000 | 4,989,000 | (15,000) | 25,955,000 |
| Operation and maintenance of plant | 16,140,000 | — | (11,000) | 16,129,000 |
| Student grants and scholarships | 28,998,000 | 691,000 | (691,000) | 28,998,000 |
| Auxiliary enterprise expenses | 2,767,000 | 5,648,000 | —         | 8,415,000 |
| Depreciation and amortization | 12,283,000 | 1,304,000 | —         | 13,587,000 |
| **Total operating expenses** | 178,182,000 | 25,442,000 | (1,105,000) | 202,519,000 |
| Operating loss       | (100,751,000) | (1,796,000) | 1,105,000 | (101,442,000) |

| **Nonoperating revenues (expenses):** |        |                                      |              |          |
| State appropriations, noncapital     | 57,660,000 | — | —          | 57,660,000 |
| Federal financial aid grants, noncapital | 21,815,000 | — | —          | 21,815,000 |
| State financial aid grants, noncapital | 13,046,000 | — | —          | 13,046,000 |
| Local financial aid grants, noncapital | — | — | —          | —          |
| Nongovernmental and other financial aid grants, noncapital | — | — | — | — |
| Other federal nonoperating grants, noncapital | 74,000 | — | —          | 74,000 |
| Gifts, noncapital                   | 2,485,000  | 2,947,000 | (1,041,000) | 4,389,000 |
| Investment income, net              | 1,471,000  | 420,000   | —            | 1,891,000 |
| Endowment income, net               | —         | 2,958,000  | —            | 2,958,000 |
| Interest expense                    | (4,200,000) | (951,000) | —            | (5,151,000) |
| Other nonoperating revenues         | 1,243,000  | 159,000   | (64,000) | 1,338,000 |
| **Net nonoperating revenues**       | 93,592,000 | 5,533,000 | (1,105,000) | 98,020,000 |
| Income (loss) before other revenues and expenses | (7,159,000) | 3,737,000 | — | (3,422,000) |
| State appropriations, capital       | 366,000   | —         | —            | 366,000   |
| Grants and gifts, capital           | —         | 346,000   | —            | 346,000   |
| Additions to permanent endowments   | —         | —         | —            | —         |
| **Increase (decrease) in net position** | (6,793,000) | 4,083,000 | — | (2,710,000) |
| Net position:                       | 186,055,000 | 39,571,000 | — | 225,626,000 |
| Net position at beginning of year, as previously reported Restatements | 186,055,000 | 39,571,000 | — | 225,626,000 |
| Net position at beginning of year, as restated | 186,055,000 | 39,571,000 | — | 225,626,000 |
| Net position at end of year         | $179,262,000 | 43,654,000 | — | 222,916,000 |

See accompanying independent auditors’ report.
### Cash flows from operating activities:

- **Student tuition and fees:** $66,051,000
- **Federal grants and contracts:** —
- **State grants and contracts:** —
- **Local grants and contracts:** —
- **Nongovernmental grants and contracts:** —
- **Payments to suppliers:** $(31,900,000)
- **Payments to employees:** $(101,878,000)
- **Payments to students:** $(29,308,000)
- **Collections of student loans:** $190,000
- **Sales and services of educational activities:** $35,000
- **Sales and services of auxiliary enterprises:** $6,082,000
- **Other receipts:** $4,897,000

*Net cash used in operating activities: $(85,831,000)*

### Cash flows from noncapital financing activities:

- **State appropriations:** $57,660,000
- **Federal financial aid grants:** $21,888,000
- **State financial aid grants:** $13,046,000
- **Local financial aid grants:** —
- **Nongovernmental and other financial aid grants:** —
- **Other federal nonoperating grants:** $74,000
- **Gifts and grants received for other than capital purposes:** $2,449,000
- **Federal loan program receipts:** $39,314,000
- **Federal loan program disbursements:** $(39,425,000)
- **Monies received on behalf of others:** $1,030,000
- **Monies disbursed on behalf of others:** $(883,000)
- **Other noncapital financing activities:** $1,364,000

*Net cash provided by noncapital financing activities: $96,517,000*

### Cash flows from capital and related financing activities:

- **Proceeds from capital debt:** $16,183,000
- **State appropriations:** $248,000
- **State appropriations – SPWB Lease Revenue Bonds program:** —
- **Capital grants and gifts:** —
- **Proceeds from sale of capital assets:** $50,000
- **Acquisition of capital assets:** $(21,031,000)
- **Issuance of notes receivable:** —
- **Transfers to escrow agent:** $(12,999,000)
- **Principal paid on capital debt and leases:** $(2,698,000)
- **Interest paid on capital debt and leases:** $(5,122,000)
- **Principal collection on capital leases:** $1,205,000
- **Interest collection on capital leases:** $927,000
- **Principal collection on notes receivable:** —
- **Interest collection on notes receivable:** —

*Net cash used in capital and related financing activities: $(23,237,000)*

(Continued)
Supplementary Schedule

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>$249,753,000</td>
</tr>
<tr>
<td>(237,830,000)</td>
</tr>
<tr>
<td>628,000</td>
</tr>
<tr>
<td>$12,551,000</td>
</tr>
<tr>
<td>$7,000</td>
</tr>
<tr>
<td>$7,000</td>
</tr>
<tr>
<td>$7,000</td>
</tr>
<tr>
<td>$1,131,000</td>
</tr>
<tr>
<td>703,000</td>
</tr>
<tr>
<td>126,000</td>
</tr>
<tr>
<td>67,000</td>
</tr>
<tr>
<td>34,000</td>
</tr>
<tr>
<td>(981,000)</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Supplementary Schedule

**CALIFORNIA STATE UNIVERSITY, SONOMA**

**Statement of Net Position**

June 30, 2014

<table>
<thead>
<tr>
<th>Assets</th>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 422,000</td>
<td>1,836,000</td>
<td>2,258,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>80,784,000</td>
<td>5,204,000</td>
<td>85,988,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>2,757,000</td>
<td>453,000</td>
<td>3,210,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>1,445,000</td>
<td>1,445,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>765,000</td>
<td>114,000</td>
<td>879,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>84,728,000</td>
<td>9,052,000</td>
<td>93,780,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td></td>
<td>157,000</td>
<td>157,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,775,000</td>
<td></td>
<td>1,775,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td></td>
<td>1,317,000</td>
<td>1,317,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td></td>
<td>354,042,000</td>
<td>359,219,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>10,637,000</td>
<td>18,431,000</td>
<td>29,068,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>366,454,000</td>
<td>58,685,000</td>
<td>425,139,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>451,182,000</td>
<td>67,737,000</td>
<td>518,919,000</td>
</tr>
</tbody>
</table>

**Deferred Outflows of Resources**

| Deferred outflows of resources             |                 |                                       | 2,764,000 |

**Liabilities**

| Current liabilities:                      |                 |                                       |       |
| Accounts payable                          | 3,558,000       | 204,000                               | 3,762,000 |
| Accrued salaries and benefits             | 6,699,000       | 11,000                                | 6,700,000 |
| Accrued compensated absences, current port | 4,075,000      |                                       | 4,075,000 |
| Unearned revenue                          | 15,884,000      | 845,000                               | 16,729,000 |
| Long-term debt obligations, current port  | 141,000         |                                       | 141,000 |
| Claims liability for losses and loss adj. | 5,160,000       | 254,000                               | 5,414,000 |
| Depository accounts, current port         |                 |                                       |       |
| **Total current liabilities**             | 37,217,000      | 2,161,000                             | 39,378,000 |

| Noncurrent liabilities:                   |                 |                                       |       |
| Accrued compensated absences, net of current port | 2,608,000  | 16,000                                | 2,624,000 |
| Capitalized lease obligations, net of current port | 3,483,000  |                                       | 3,483,000 |
| Grants refundable                         | 1,874,000       |                                       | 1,874,000 |
| Long-term debt obligations, net of current port | 165,000  |                                       | 165,000 |
| Claims liability for losses and loss adj. | 206,599,000     | 3,737,000                             | 210,336,000 |
| Depository accounts                       |                 |                                       |       |
| **Total noncurrent liabilities**          | 217,971,000     | 6,281,000                             | 224,252,000 |

| **Total liabilities**                     | 255,188,000     | 8,442,000                             | 263,630,000 |

**Deferred Inflows of Resources**

| Deferred inflows of resources             |                 |                                       |       |

| **Net Position**                          |                 |                                       |       |
| Net investment in capital assets          | 144,740,000     | 1,186,000                             | 145,926,000 |
| Restricted for:                           |                 |                                       |       |
| Nonexpendable - endowments                |                 | 35,261,000                            | 35,261,000 |
| **Expendable:**                           |                 |                                       |       |
| Scholarships and fellowships              | 905,000         | 25,000                                | 930,000 |
| Research                                  | 35,000          |                                       | 35,000 |
| Loans                                     |                 |                                       |       |
| Capital projects                          | 2,577,000       |                                       | 2,577,000 |
| Debt service                              |                 |                                       |       |
| Other                                     |                 |                                       |       |
| **Total net position**                    | 4,372,000       | 9,880,000                             | 14,252,000 |
| **Unrestricted**                          | 46,129,000      | 12,945,000                            | 59,074,000 |
| **Total net position**                    | 198,758,000     | 59,295,000                            | 258,053,000 |

See accompanying independent auditors' report.
SONOMA STATE UNIVERSITY  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
<th>Discretely presented component units</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $16,810,000)</td>
<td>$ 55,526,000</td>
<td>1,682,000</td>
<td>—</td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>7,624,000</td>
<td>95,000</td>
<td>—</td>
</tr>
<tr>
<td>State</td>
<td>726,000</td>
<td>119,000</td>
<td>—</td>
</tr>
<tr>
<td>Local</td>
<td>114,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental</td>
<td>543,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>483,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises (net of scholarship allowances of $4,424,000)</td>
<td>22,929,000</td>
<td>8,853,000</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>7,610,000</td>
<td>1,315,000</td>
<td>—</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>95,555,000</td>
<td>12,064,000</td>
<td>—</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>47,517,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Research</td>
<td>1,685,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Public service</td>
<td>14,729,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Academic support</td>
<td>14,307,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student services</td>
<td>17,199,000</td>
<td>1,944,000</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>14,399,000</td>
<td>246,000</td>
<td>—</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>13,694,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>12,557,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>14,672,000</td>
<td>8,427,000</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>14,131,000</td>
<td>328,000</td>
<td>—</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>164,890,000</td>
<td>10,945,000</td>
<td>—</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(69,335,000)</td>
<td>1,119,000</td>
<td>—</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations, noncapital</td>
<td>51,944,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal financial aid grants, noncapital</td>
<td>12,506,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State financial aid grants, noncapital</td>
<td>7,488,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Local financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other federal nonoperating grants, noncapital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>4,763,000</td>
<td>471,000</td>
<td>541,000</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>726,000</td>
<td>672,000</td>
<td>—</td>
</tr>
<tr>
<td>Endowment income, net</td>
<td>—</td>
<td>4,384,000</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(8,067,000)</td>
<td>(290,000)</td>
<td>—</td>
</tr>
<tr>
<td>Other nonoperating revenues (expenses)</td>
<td>1,655,000</td>
<td>(148,000)</td>
<td>60,000</td>
</tr>
<tr>
<td>Net nonoperating revenues</td>
<td>71,015,000</td>
<td>5,089,000</td>
<td>601,000</td>
</tr>
<tr>
<td>Income before other revenues and expenses</td>
<td>1,680,000</td>
<td>6,208,000</td>
<td>601,000</td>
</tr>
<tr>
<td>State appropriations, capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grants and gifts, capital</td>
<td>3,500,000</td>
<td>—</td>
<td>(601,000)</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>—</td>
<td>637,000</td>
<td>—</td>
</tr>
<tr>
<td>Increase in net position</td>
<td>5,180,000</td>
<td>6,845,000</td>
<td>—</td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as previously reported</td>
<td>193,578,000</td>
<td>52,450,000</td>
<td>—</td>
</tr>
<tr>
<td>Restatements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>193,578,000</td>
<td>52,450,000</td>
<td>—</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>$ 198,758,000</td>
<td>59,295,000</td>
<td>—</td>
</tr>
</tbody>
</table>

See accompanying independent auditors’ report.
## SONOMA STATE UNIVERSITY

### Statement of Cash Flows

Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$ 55,690,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>7,484,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>647,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>134,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>525,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(40,826,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(95,393,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(12,557,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>502,000</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>23,150,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>9,163,000</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(51,481,000)</td>
</tr>
</tbody>
</table>

| Cash flows from noncapital financing activities:                          |                      |
| State appropriations                                                     | 51,944,000           |
| Federal financial aid grants                                              | 12,535,000           |
| State financial aid grants                                                | 7,476,000            |
| Local financial aid grants                                                | —                    |
| Nongovernmental and other financial aid grants                            | —                    |
| Other federal nonoperating grants                                        | —                    |
| Gifts and grants received for other than capital purposes                 | 4,763,000            |
| Federal loan program receipts                                            | 39,812,000           |
| Federal loan program disbursements                                       | (39,796,000)         |
| Monies received on behalf of others                                      | —                    |
| Monies disbursed on behalf of others                                     | —                    |
| Other noncapital financing activities                                     | 1,687,000            |
| **Net cash provided by noncapital financing activities**                  | 78,421,000           |

| Cash flows from capital and related financing activities:                 |                      |
| Proceeds from capital debt                                               | 1,334,000            |
| State appropriations                                                     | —                    |
| State appropriations – SPWB Lease Revenue Bonds program                   | —                    |
| Capital grants and gifts                                                 | 2,501,000            |
| Proceeds from sale of capital assets                                     | —                    |
| Acquisition of capital assets                                            | (23,314,000)         |
| Issuance of notes receivable                                             | —                    |
| Transfers to escrow agent                                                | (1,328,000)          |
| Principal paid on capital debt and leases                                | (4,275,000)          |
| Interest paid on capital debt and leases                                 | (9,416,000)          |
| Principal collection on capital leases                                   | —                    |
| Interest collection on capital leases                                    | —                    |
| Principal collection on notes receivable                                 | —                    |
| Interest collection on notes receivable                                  | —                    |
| **Net cash used in capital and related financing activities**            | (34,498,000)         |
SONOMA STATE UNIVERSITY
Statement of Cash Flows
Year ended June 30, 2014

<table>
<thead>
<tr>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
</tr>
<tr>
<td>Purchases of investments</td>
</tr>
<tr>
<td>Investment income proceeds</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
</tr>
<tr>
<td>Summary of cash and cash equivalents at end of year:</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
</tr>
<tr>
<td>Total cash and cash equivalents at end of year</td>
</tr>
<tr>
<td>Reconciliation of operating loss to net cash used in operating activities:</td>
</tr>
<tr>
<td>Operating loss</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
</tr>
<tr>
<td>Notes receivable</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
</tr>
<tr>
<td>Unearned revenue</td>
</tr>
<tr>
<td>Depository accounts</td>
</tr>
<tr>
<td>Other postemployment benefits obligation</td>
</tr>
<tr>
<td>Other liabilities</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
</tr>
<tr>
<td>Supplemental schedule of noncash transactions:</td>
</tr>
<tr>
<td>Contributed capital assets</td>
</tr>
<tr>
<td>Amortization of net bond premium</td>
</tr>
<tr>
<td>Amortization of loss on debt refundings</td>
</tr>
<tr>
<td>Capital assets paid by the Office of the Chancellor</td>
</tr>
<tr>
<td>Change in accrued capital asset purchases</td>
</tr>
</tbody>
</table>

See accompanying independent auditors' report.
### SONOMA STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2014

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

See accompanying independent auditors’ report.
### Statement of Net Position

**June 30, 2014**

#### Assets

<table>
<thead>
<tr>
<th>Components</th>
<th>Campus Units</th>
<th>Discretely Presented Component Units</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>—</td>
<td>671,000</td>
<td>671,000</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>68,832,000</td>
<td>4,817,000</td>
<td>73,649,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,836,000</td>
<td>602,000</td>
<td>2,438,000</td>
</tr>
<tr>
<td>Leases receivable, current portion</td>
<td>88,000</td>
<td>—</td>
<td>88,000</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>—</td>
<td>451,000</td>
<td>451,000</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>561,000</td>
<td>8,000</td>
<td>569,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>71,317,000</td>
<td>6,549,000</td>
<td>77,866,000</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>—</td>
<td>566,000</td>
<td>566,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,592,000</td>
<td>—</td>
<td>1,592,000</td>
</tr>
<tr>
<td>Leases receivable, net of current portion</td>
<td>4,336,000</td>
<td>—</td>
<td>4,336,000</td>
</tr>
<tr>
<td>Notes receivable, net of current portion</td>
<td>778,000</td>
<td>—</td>
<td>778,000</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>—</td>
<td>1,629,000</td>
<td>1,629,000</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>130,000</td>
<td>3,130,000</td>
<td>3,260,000</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>127,221,000</td>
<td>8,371,000</td>
<td>135,592,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>3,000</td>
<td>90,000</td>
<td>93,000</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>134,060,000</td>
<td>24,810,000</td>
<td>158,870,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>205,377,000</td>
<td>31,359,000</td>
<td>236,736,000</td>
</tr>
</tbody>
</table>

#### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Components</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflows of resources</td>
<td>650,000</td>
<td>650,000</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th>Components</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,316,000</td>
<td>209,000</td>
</tr>
<tr>
<td>Accrued salaries and benefits</td>
<td>6,876,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Accrued compensated absences, current portion</td>
<td>2,582,000</td>
<td>27,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>1,998,000</td>
<td>103,000</td>
</tr>
<tr>
<td>Capitalized lease obligations, current portion</td>
<td>433,000</td>
<td>89,000</td>
</tr>
<tr>
<td>Long-term debt obligations, current portion</td>
<td>911,000</td>
<td>240,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, current portion</td>
<td>157,000</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts, current portion</td>
<td>1,958,000</td>
<td>218,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>17,231,000</td>
<td>891,000</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued compensated absences, net of current portion</td>
<td>1,548,000</td>
<td>—</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>121,000</td>
<td>—</td>
</tr>
<tr>
<td>Capitalized lease obligations, net of current portion</td>
<td>910,000</td>
<td>4,335,000</td>
</tr>
<tr>
<td>Long-term debt obligations, net of current portion</td>
<td>35,325,000</td>
<td>2,513,000</td>
</tr>
<tr>
<td>Claims liability for losses and loss adjustment expenses, net of current portion</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Depository accounts</td>
<td>2,434,000</td>
<td>703,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,021,000</td>
<td>1,331,000</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>41,490,000</td>
<td>8,882,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>58,721,000</td>
<td>9,773,000</td>
</tr>
</tbody>
</table>

#### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Components</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred inflows of resources</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Net Position

<table>
<thead>
<tr>
<th>Components</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>96,748,000</td>
<td>1,194,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable - endowments</td>
<td>—</td>
<td>7,914,000</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>8,000</td>
<td>1,252,000</td>
</tr>
<tr>
<td>Research</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loans</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Capital projects</td>
<td>1,981,000</td>
<td>—</td>
</tr>
<tr>
<td>Debt service</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>158,000</td>
<td>7,288,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>48,411,000</td>
<td>3,938,000</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>147,306,000</td>
<td>21,586,000</td>
</tr>
</tbody>
</table>

See accompanying independent auditors' report.
### Statement of Revenues, Expenses, and Changes in Net Position

**Year ended June 30, 2014**

#### Discretely presented component

<table>
<thead>
<tr>
<th>Campus</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
</table>

#### Revenues:

**Operating revenues:**

- Student tuition and fees (net of scholarship allowances of $31,616,000) $ 34,242,000
- Grants and contracts, noncapital:
  - Federal 3,376,000
  - State 2,534,000
  - Local 1,026,000
  - Nongovernmental 593,000
- Sales and services of educational activities
- Sales and services of auxiliary enterprises (net of scholarship allowances of $979,000) 4,762,000
- Other operating revenues 3,514,000

**Total operating revenues** 50,047,000

#### Expenses:

**Operating expenses:**

- Instruction 49,750,000
- Research 826,000
- Public service 915,000
- Academic support 12,324,000
- Student services 13,138,000
- Institutional support 13,076,000
- Operation and maintenance of plant 11,961,000
- Student grants and scholarships 23,699,000
- Auxiliary enterprise expenses 6,152,000
- Depreciation and amortization 7,537,000

**Total operating expenses** 139,378,000

#### Operating loss (89,331,000)

#### Nonoperating revenues (expenses):

- State appropriations, noncapital 51,643,000
- Federal financial aid grants, noncapital 22,050,000
- State financial aid grants, noncapital 14,424,000
- Local financial aid grants, noncapital 592,000
- Nongovernmental and other financial aid grants, noncapital 592,000
- Other federal nonoperating grants, noncapital 123,000
- Investment income, net 767,000
- Endowment income, net —
- Interest expense (1,597,000)
- Other nonoperating revenues 2,710,000

**Net nonoperating revenues** 90,712,000

#### Income before other revenues and expenses 1,381,000

#### State appropriations, capital

#### Grants and gifts, capital 176,000

#### Additions to permanent endowments

**Increase in net position** 1,557,000

#### Net position:

- Net position at beginning of year, as previously reported 145,749,000
- Restatements —
- Net position at beginning of year, as restated 145,749,000
- Net position at end of year $ 147,306,000

See accompanying independent auditors’ report.
### CALIFORNIA STATE UNIVERSITY, STANISLAUS

**Statement of Cash Flows**

**Year ended June 30, 2014**

#### Cash flows from operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees</td>
<td>$34,710,000</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>3,323,000</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>2,694,000</td>
</tr>
<tr>
<td>Local grants and contracts</td>
<td>1,121,000</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>401,000</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(23,397,000)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(82,263,000)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(23,702,000)</td>
</tr>
<tr>
<td>Collections of student loans</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>4,956,000</td>
</tr>
<tr>
<td>Other receipts</td>
<td>2,745,000</td>
</tr>
</tbody>
</table>

Net cash used in operating activities: (79,412,000)

#### Cash flows from noncapital financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>51,643,000</td>
</tr>
<tr>
<td>Federal financial aid grants</td>
<td>22,050,000</td>
</tr>
<tr>
<td>State financial aid grants</td>
<td>14,424,000</td>
</tr>
<tr>
<td>Local financial aid grants</td>
<td>—</td>
</tr>
<tr>
<td>Nongovernmental and other financial aid grants</td>
<td>591,000</td>
</tr>
<tr>
<td>Other federal nonoperating grants</td>
<td>—</td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes</td>
<td>123,000</td>
</tr>
<tr>
<td>Federal loan program receipts</td>
<td>31,867,000</td>
</tr>
<tr>
<td>Federal loan program disbursements</td>
<td>(31,913,000)</td>
</tr>
<tr>
<td>Monies received on behalf of others</td>
<td>3,154,000</td>
</tr>
<tr>
<td>Monies disbursed on behalf of others</td>
<td>(3,220,000)</td>
</tr>
<tr>
<td>Other noncapital financing activities</td>
<td>2,712,000</td>
</tr>
</tbody>
</table>

Net cash provided by noncapital financing activities: 91,431,000

#### Cash flows from capital and related financing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>694,000</td>
</tr>
<tr>
<td>State appropriations</td>
<td>1,517,000</td>
</tr>
<tr>
<td>State appropriations – SPWB Lease Revenue Bonds program</td>
<td>3,949,000</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(7,852,000)</td>
</tr>
<tr>
<td>Issuance of notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Transfers to escrow agent</td>
<td>—</td>
</tr>
<tr>
<td>Principal paid on capital debt and leases</td>
<td>(1,520,000)</td>
</tr>
<tr>
<td>Interest paid on capital debt and leases</td>
<td>(1,663,000)</td>
</tr>
<tr>
<td>Principal collection on capital leases</td>
<td>88,000</td>
</tr>
<tr>
<td>Interest collection on capital leases</td>
<td>—</td>
</tr>
<tr>
<td>Principal collection on notes receivable</td>
<td>—</td>
</tr>
<tr>
<td>Interest collection on notes receivable</td>
<td>—</td>
</tr>
</tbody>
</table>

Net cash used in capital and related financing activities: (4,787,000)
CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Cash Flows
Year ended June 30, 2014

Cash flows from investing activities:
  Proceeds from sales of investments $ 164,203,000
  Purchases of investments (171,917,000)
  Investment income proceeds 388,000
  Net cash provided by investing activities (7,326,000)

Net decrease in cash and cash equivalents (94,000)

Cash and cash equivalents at beginning of year 94,000

Cash and cash equivalents at end of year $ —

Summary of cash and cash equivalents at end of year:
  Cash and cash equivalents $ —
  Restricted cash and cash equivalents —
  Total cash and cash equivalents at end of year $ —

Reconciliation of operating loss to net cash used in operating activities:
  Operating loss $ (89,331,000)
  Adjustments to reconcile operating loss to net cash used in operating activities:
    Depreciation and amortization 7,537,000
    Change in assets and liabilities:
      Accounts receivable, net 499,000
      Notes receivable —
      Student loans receivable, net —
      Pledges receivable, net —
      Prepaid expenses and other assets (62,000)
      Accounts payable 1,110,000
      Accrued salaries and benefits 494,000
      Accrued compensated absences 388,000
      Unearned revenue 42,000
      Depository accounts —
      Other postemployment benefits obligation 589,000
      Other liabilities (678,000)
    Net cash used in operating activities $ (79,412,000)

Supplemental schedule of noncash transactions:
  Contributed capital assets $ 175,000
  Amortization of net bond premium 118,000
  Amortization of loss on debt refundings 52,000
  Change in accrued capital asset purchases (655,000)

See accompanying independent auditors' report.
## Transactions with Related Entities

### Year ended June 30, 2014

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

See accompanying independent auditors’ report.