

AGENDA

COMMITTEE ON AUDIT

Meeting: 1:15 p.m., Tuesday, May 21, 2024
Glenn S. Dumke Auditorium

Yammilette Rodriguez, Chair
Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Jonathan Molina Mancio
Christopher Steinhauser
Darlene Yee-Melichar

- Consent**
1. Approval of Minutes, *Action*
 2. Status Report on Audit and Advisory Services Activities, *Information*
- Discussion**
3. Fiscal Year 2024-2025 Audit Plan, *Action*
 4. Audited Financial Statements and Single Audit Report, *Information*

**MINUTES OF THE MEETING OF THE
COMMITTEE ON AUDIT**

**Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California**

March 26, 2024

Members Present

Jean Picker Firstenberg, Vice Chair
Leslie Gilbert-Lurie
Lillian Kimbell
Christopher Steinhauser
Darlene Yee-Melichar
Wenda Fong, Chair of the Board

Trustee Jean Firstenberg called the meeting to order.

Approval of the Consent Agenda

The minutes of the January 30, 2024, meeting of the Committee on Audit were approved as submitted.

Item two, Status Report on Audit and Advisory Services Activities, was an information item.

Quality Assurance Review of The California State University System Internal Audit Program

Vice Chancellor Vlad Marinescu presented the results of the recent quality assurance review of Audit and Advisory Services, along with Julia Hann, chief audit executive, University of North Florida. The IIA Standards for the Professional Practice of Internal Auditing stipulate that external assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. Audit and Advisory Services completed its most recent external quality assurance review in January 2024, and prior to this, a review was completed in 2019.

A team of three higher education audit professionals, independent from the CSU, performed the review and as part of their review process visited the Chancellor's Office in December 2023. The primary objective of the review was to provide reasonable assurance that the internal auditing program at the California State University conforms to the IIA's Standards and Code of Ethics, and to appraise the quality of operations. The review concluded that Audit and Advisory Services generally conforms to The IIA Standards for the Professional Practice of Internal Auditing. According to the IIA Quality Assessment Manual, "Generally Conforms" means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the Standards. Generally Conforms is the highest rating possible under IIA guidance. The review also identified organizational leading practices and strengths and opportunities for program

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enhancement, which were presented by Ms. Hann. Vice Chancellor Marinescu addressed the opportunities for program enhancement and discussed next steps for evaluation and implementation.

Trustees acknowledged the positive results of the report and thanked Ms. Hann for traveling from Florida to provide the presentation.

Trustee Firstenberg adjourned the Committee on Audit.

COMMITTEE ON AUDIT

Status Report on Audit and Advisory Services Activities

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Summary

This item provides an update on internal audit activities and initiatives. It also includes a status update on the 2023-24 audit plan. Attachment A summarizes the status of audit assignments by university.

For the current year audit plan, assignments were made to execute individual university audit plans and conduct financial, operational, compliance, and information technology audits; use continuous auditing techniques and data analytics tools; provide advisory services; support intergovernmental audits; and perform investigation reviews, as needed.

Audit and Advisory Services recently completed its annual audit planning/risk assessment process, working with the 23 universities and the Chancellor's Office to formulate the audit plan for the 2024-25 fiscal year. This comprehensive planning process considers a multitude of factors, including information gathered from interviews and meetings with over 90 systemwide and university executives and representatives; consideration of CSU strategic initiatives; research of higher education trends; and review of financial, regulatory, and other risks. The resulting audit plan is being presented for Committee on Audit approval this month.

ASSURANCE AUDITS AND DATA ANALYTICS

Status of In-Process and Completed Audits

Audit and Advisory Services continues to make progress on the 2023-24 audit plan. Twenty-five audits have been completed and twenty-two audits are currently in process. Follow-up on current and past assignments is being conducted on 34 completed university reviews. Completed audit reports are posted on the California State University website at <https://www.calstate.edu/csu-system/transparency-accountability/audit-reports>.

The status of university progress toward implementing recommendations for completed audits is included in Attachment A. Prior year audits that have open recommendations are also included in Attachment A and are removed from the report once all recommendations are completed.

Both university management and audit management are responsible for tracking the implementation/completion status of audit recommendations contained in university audit reports. During the audit process, university management identifies a target completion date for addressing each audit recommendation. Target completion dates are subject to approval by audit management prior to the audit report being finalized. Implementation timelines are reviewed for appropriateness, reasonableness, and timeliness, which also includes evaluating the nature and level of risk and whether any mitigating controls can or should be put in place on an interim basis while audit recommendations are being implemented.

If there are difficulties or unexpected delays in addressing/completing audit recommendations within the agreed upon timeframes, escalation processes for resolution are followed by audit management. Audit management first contacts the university senior leadership team (president and/or VP/CFO) to resolve any delays. In rare instances in which delays cannot be resolved during discussions between university and audit management, the chancellor and audit committee chair and/or vice chair may help resolve delays, as needed.

Corrective action is reviewed on an on-going basis, and each year we typically review follow-up documentation submitted to our office on approximately 250 recommendations from completed audits. We also conduct follow-up reviews for select prior-year audits to ensure that implemented corrective actions continue to operate effectively.

Data Analytics

The data analytics team continues to monitor credit card data by reviewing potential anomalies and policy exceptions. For the six-month period ending December 2023, 23 universities and the Chancellor's Office were reviewed for possible separated employees with active cards and/or credit card purchase exceptions. For Concur travel expenditures, the data analytics team recently completed its review of travel expense transactions at ten universities and the Chancellor's Office and follow up was performed on all potential anomalies.

ADVISORY SERVICES

Audit and Advisory Services partners with management to identify solutions for business issues, offer opportunities to improve the efficiency and effectiveness of operating areas, and assist with special requests, while ensuring the consideration of related internal control issues. Advisory services are more consultative in nature than traditional audits and are performed in response to requests from university management. The goal is to enhance awareness of risk, control and

compliance issues and to provide a proactive independent review and appraisal of specifically identified concerns. Reviews are ongoing.

INVESTIGATIONS AND INTERGOVERNMENTAL AUDITS

Audit and Advisory Services is periodically called upon to provide investigative reviews of alleged fiscal improprieties. Investigations are performed both at the request of an individual university or the chancellor's office and by referral from the state auditor. Additionally, Audit and Advisory Services assists with tracking external audits being conducted by state and federal agencies, offers assistance to universities undergoing such audits, and acts as a liaison for the California State University system throughout the audit process when appropriate.

The federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) requires all eligible institutions that participate in federal student aid programs under Title IV of the Higher Education Act of 1965 to prepare, publish, and distribute annual security reports disclosing specified campus crime statistics and campus security policies. The California State Auditor (CSA) is required by the California Education Code to conduct Clery Act audits every three years of at least six higher education institutions. The CSA typically includes at least one CSU campus in each Clery Act audit. The CSA started a new Clery Act audit in February 2024, and selected California State University, Chico for review. The CSA's website indicates an estimated completion date of Fall 2024.

The CSA started its audit of community college transfers in July 2023. The audit is reviewing California's higher education systems' efforts to improve the rate of community college transfers to the California State University and University of California. The audit is currently in progress and the estimated completion date is August 2024. The scope and objectives of the audit are available on the State Auditor's website at:

<https://www.auditor.ca.gov/pdfs/analyses/2023-123.pdf>.

In December 2023 and January 2024, the CSU submitted the required six-month responses for the CSA Native American Graves Protection and Repatriation Act (NAGPRA) and Title IX audits, respectively. The responses provide information on the status of the CSU's implementation of the audit recommendations and can be viewed on the CSA's website:

- <https://auditor.ca.gov/reports/recommendations/2022-107> - for NAGPRA
- <https://auditor.ca.gov/reports/recommendations/2022-109> - for Title IX

The one-year follow-up response to the CSA NAGPRA audit is due in June 2024 and the Title IX response is due in July 2024.

OUTREACH AND ENGAGEMENT

Audit and Advisory Services continues to partner and work with our university and system stakeholders beyond what would be the usual course of business for an audit or advisory review in order to find opportunities to add value to the organization when possible. This includes partnering activities such as participating in and leading affinity groups, providing support to university and chancellor's office management, sharing information and common themes across universities, and acknowledging feedback and insights provided by management.

INTERNAL AUDIT FRAMEWORK AND STANDARDS

Education Code Section 89045, enacted by Chapter 1406 of the Statutes of 1969, provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the International Professional Practices Framework and the Code of Ethics as promulgated by the Institute of Internal Auditors, including organizational independence, as outlined in the Audit and Advisory Services Charter.

Audit and Advisory Services is organizationally independent and free from interference in determining the scope of internal audits, performing work, and communicating results. To ensure organizational independence, Audit and Advisory Services reports functionally to the Trustees of the California State University, and administratively to the Chancellor.

STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
Bakersfield	Audits Currently in Progress	Computer Security Incident Response	FY 23-24		
		Parking Operations	FY 23-24		
Chancellor's Office	Status of Recommendations	Payroll and Benefits Reporting	FY 22-23	2	2
		Emergency Management	FY 23-24	2	1 1
Channel Islands	Audits Currently in Progress	University Auxiliary Services	FY 23-24		
	Status of Recommendations	Computer Security Incident Response	FY 23-24	1	1
Chico	Audits Currently in Progress	Executive Travel and Hospitality	FY 23-24		
	Status of Recommendations	Information Security	FY 22-23	14	14
		Endowment Management	FY 23-24	2	2
Dominguez Hills	Status of Recommendations	Associated Students	FY 22-23	8	8
		Information Security	FY 22-23	8	8
		Property and Equipment	FY 23-24	12	9 3
East Bay	Audits Currently in Progress	East Bay Foundation	FY 23-24		
	Status of Recommendations	Construction Management	FY 23-24	5	3 2
Fresno	Audits Currently in Progress	Executive Travel and Hospitality	FY 23-24		
		Fleet Services	FY 23-24		
	Status of Recommendations	Information Security	FY 23-24	13	13
Fullerton	Audits Currently in Progress	Americans with Disabilities Act	FY 23-24		
	Status of Recommendations	Business Continuity and IT Disaster Recovery	FY 23-24	7	6 1
Humboldt	Status of Recommendations	International Programs	FY 23-24	5	5
Long Beach	Audits Currently in Progress	Information Security	FY 23-24		
	Status of Recommendations	Youth Programs	FY 23-24	5	5
Los Angeles	Status of Recommendations	Accessible Technology	FY 23-24	3	3
		Financial Aid	FY 23-24	2	1 1
Maritime Academy	Status of Recommendations	Financial Aid	FY 23-24	4	3 1
Monterey Bay	Audits Currently in Progress	Follow Up - Otter Student Union	FY 23-24		
	Status of Recommendations	Accessible Technology Initiative	FY 22-23	6	6
		Executive Travel and Hospitality	FY 23-24	2	2
Northridge	Status of Recommendations	Financial Aid	FY 23-24	3	3
		Business Continuity and IT Disaster Recovery	FY 23-24		
		Athletics Fiscal Administration	FY 22-23	6	1 5
Pomona	Audits Currently in Progress	Fundraising and Gift Processing	FY 23-24		
	No Reportable Recommendations	Associated Students, Inc.	FY 23-24	n/a	
Sacramento	Audits Currently in Progress	Youth Programs	FY 23-24		
	No Reportable Recommendations	Executive Travel and Hospitality	FY 23-24	n/a	
	Status of Recommendations	Capital Public Radio	FY 22-23	17	16 1

*Status
 Closed (green) - Recommendations have been satisfactorily implemented
 Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe
 Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe

STATUS REPORT ON CURRENT AND PAST AUDIT ASSIGNMENTS

Campus	Category	Audit Topic	Audit Plan Year	Total # of Recommendations	*Status
San Bernardino	Audits Currently in Progress	Follow Up - Human Resource Management	FY 23-24		
		University Enterprises Corporation	FY 23-24		
	Status of Recommendations	Athletics Fiscal Administration	FY 23-24	8	<div style="width: 100%; height: 15px; background-color: blue;"></div> 8
San Diego	Audits Currently in Progress	Information Security	FY 23-24		
		Research Foundation	FY 23-24		
	Status of Recommendations	Aztec Shops	FY 22-23	5	<div style="width: 100%; height: 15px; background-color: green;"></div> 5
		Academic Department Fiscal Review	FY 23-24	2	<div style="width: 100%; height: 15px; background-color: green;"></div> 2
San Francisco	Audits Currently in Progress	Information Security	FY 23-24		
	Status of Recommendations	University Corporation	FY 23-24	6	<div style="width: 100%; height: 15px; background-color: blue;"></div> 6
San José	Audits Currently in Progress	The Student Union of San José State University	FY 23-24		
	Status of Recommendations	Athletics Fiscal Administration	FY 22-23	6	<div style="width: 100%; height: 15px; background-color: green;"></div> 6
		Information Security	FY 22-23	5	<div style="width: 100%; height: 15px; background-color: green;"></div> 5
		Endowment Management	FY 23-24	3	<div style="width: 100%; height: 15px; background-color: blue;"></div> 3
San Luis Obispo	Audits Currently in Progress	Accessible Technology Initiative	FY 23-24		
	Status of Recommendations	Financial Aid	FY 23-24	2	<div style="width: 100%; height: 15px; background-color: blue;"></div> 2
San Marcos	Audits Currently in Progress	San Marcos Foundation	FY 23-24		
	Status of Recommendations	Accessible Technology Initiative	FY 22-23	6	<div style="width: 100%; height: 15px; background-color: blue;"></div> 3 <div style="width: 100%; height: 15px; background-color: green;"></div> 3
		Counseling and Psychological Services	FY 23-24	2	<div style="width: 100%; height: 15px; background-color: green;"></div> 2
Sonoma	Status of Recommendations	Business Continuity and IT Disaster Recovery	FY 23-24	10	<div style="width: 100%; height: 15px; background-color: blue;"></div> 5 <div style="width: 100%; height: 15px; background-color: green;"></div> 5
		Construction Management	FY 23-24	3	<div style="width: 100%; height: 15px; background-color: blue;"></div> 3
Stanislaus	Audits Currently in Progress	Professional and Continuing Education	FY 23-24		
	Status of Recommendations	Information Security	FY 23-24	15	<div style="width: 100%; height: 15px; background-color: blue;"></div> 8 <div style="width: 100%; height: 15px; background-color: green;"></div> 7

*Status
 Closed (green) - Recommendations have been satisfactorily implemented
 Open (blue) - Implementation of recommendations is in progress and within the agreed upon timeframe
 Exceeds Agreed Upon Timeframe (red) - Recommendations have not been implemented within the agreed upon timeframe



COMMITTEE ON AUDIT

Fiscal Year 2024-2025 Audit Plan

Presentation By

Vlad Marinescu
Vice Chancellor and Chief Audit Officer
Audit and Advisory Services

Summary

The Education Code provides for the establishment of an internal auditing function reporting directly to the Trustees of the California State University. Audit and Advisory Services assists university management and the Trustees in the effective discharge of their fiduciary and administrative responsibilities by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Additionally, Audit and Advisory Services serves the university in a manner that is consistent with the standards set forth by the Institute of Internal Auditors.

In accordance with the audit committee charter, each year Audit and Advisory Services presents its audit plan to the Board of Trustees' Committee on Audit for review and approval.

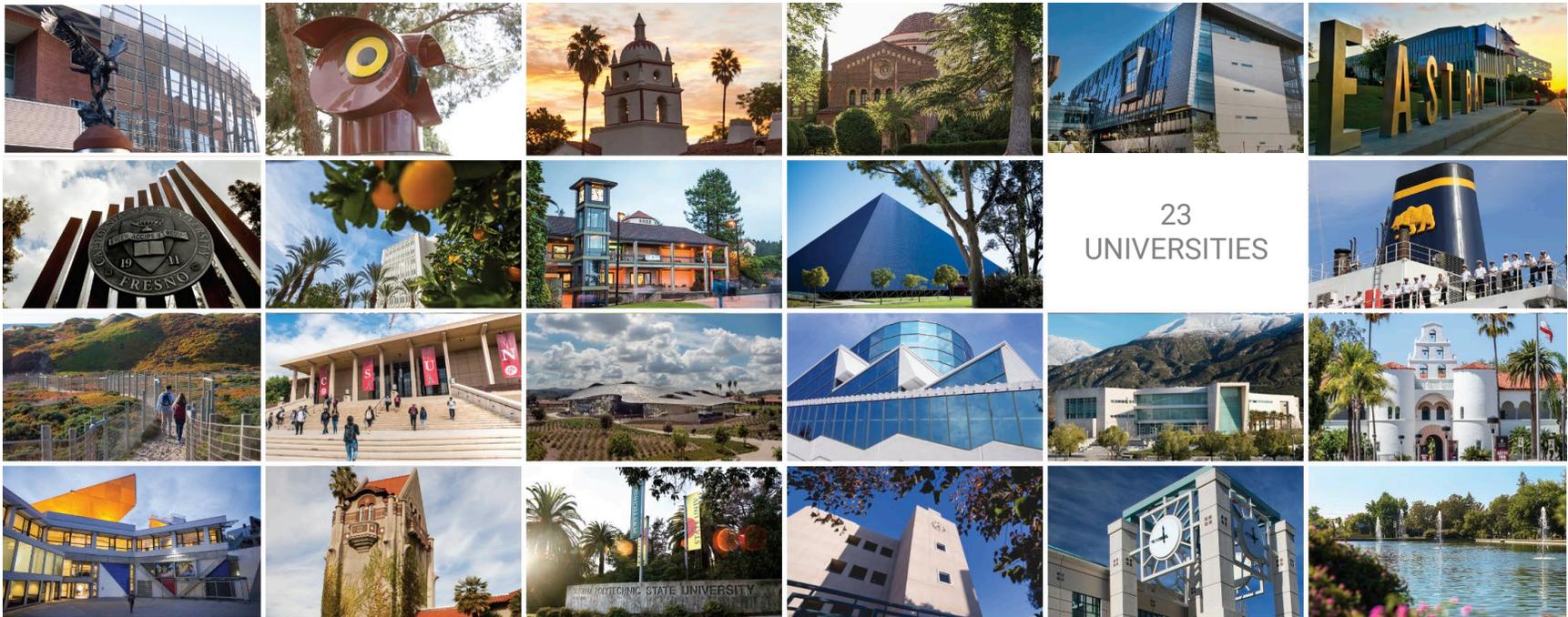
Attachment A includes the audit plan for fiscal year 2024-2025.

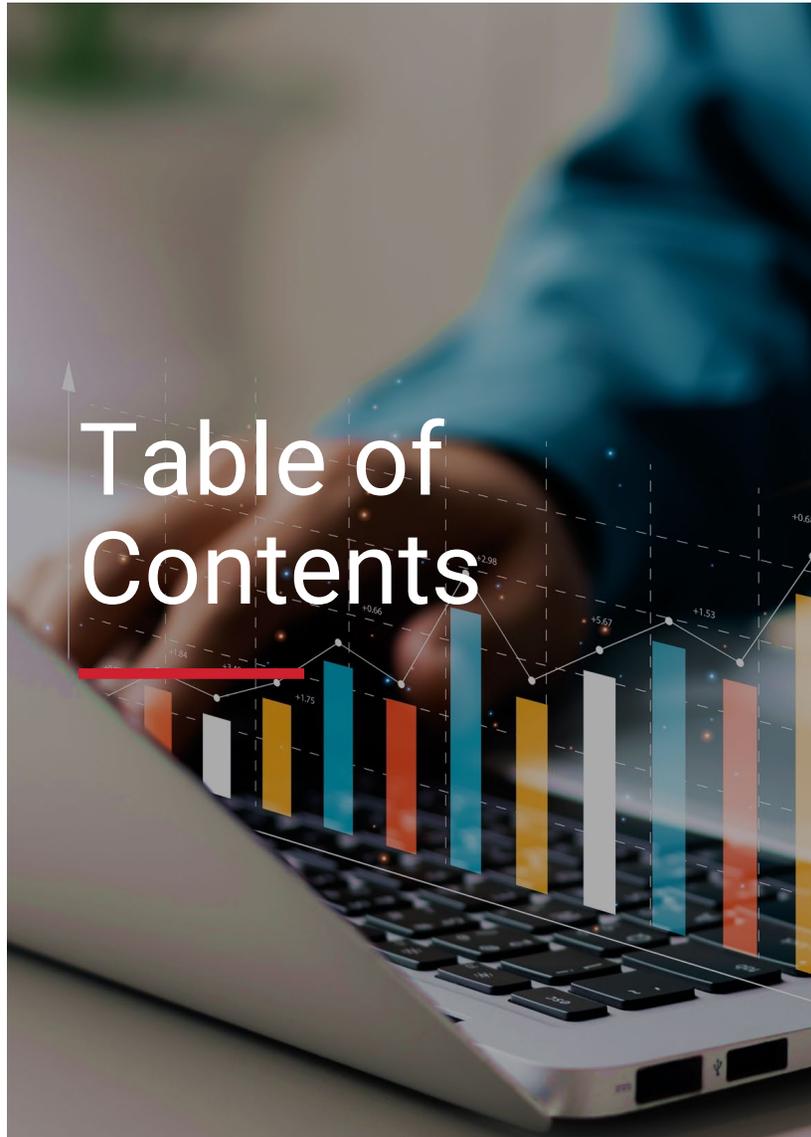
The following resolution is recommended for approval:

RESOLVED, By the Committee on Audit of the California State University Board of Trustees that the Fiscal Year 2024-2025 Audit Plan, as detailed in Agenda Item 3 of the Committee on Audit at the May 19-22, 2024, meeting, be approved.

Audit Plan 2024-2025

Item 3
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Executive Summary

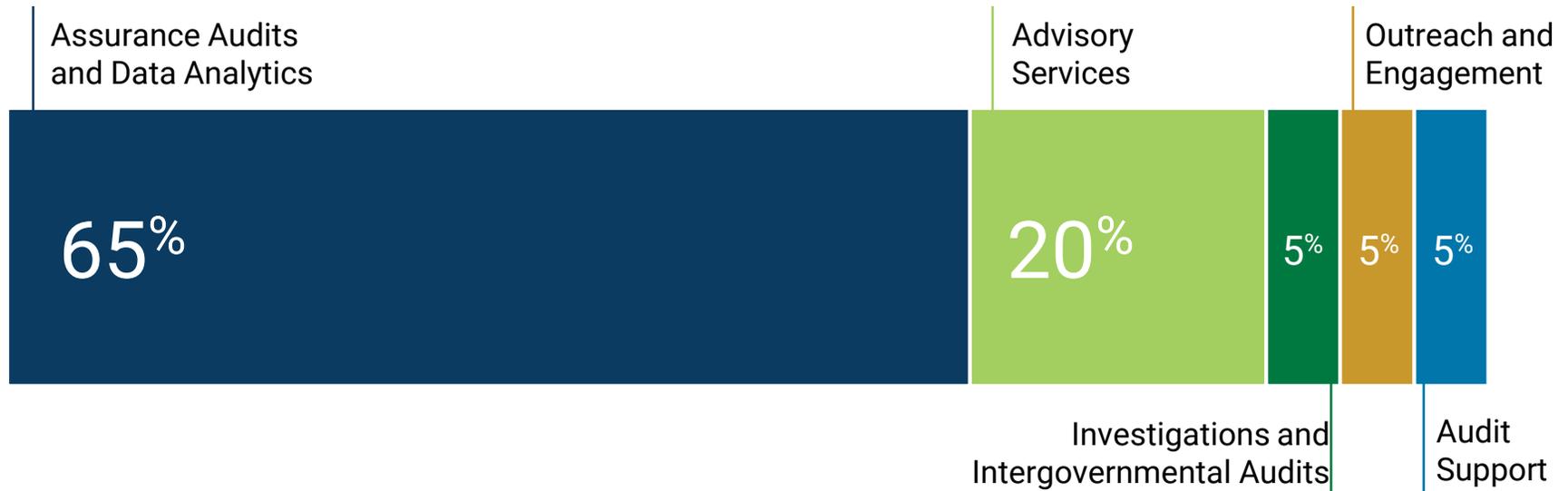
In accordance with the audit committee charter, Audit and Advisory Services has completed its annual risk assessment and developed the audit plan for fiscal year 2024-25.

PLAN OBJECTIVES

- Provide assurance that risks are being mitigated and the CSU is operating effectively and efficiently
- Assist trustees and management in fulfilling their oversight responsibilities
- Enhance awareness and understanding of risks and controls
- Promote appropriate ethics and values
- Add value to university and systemwide operations and foster continuous improvement

Audit Plan Resource Allocation

The following chart illustrates how Audit and Advisory Services staff resources are allocated across the five major areas of the 2024-25 audit plan. The resource allocation is based on estimated workload assumptions and is fluid in nature. Resources are allocated as necessary based on opportunities to address risk and add value through collaboration with university and systemwide management and in response to the changing risk landscape.



Assurance Audits

Assurance audits are independent, objective reviews designed to evaluate the organization's internal controls, evaluate the efficiency and effectiveness of operations, and assess compliance with relevant requirements and regulations.

SYSTEMWIDE REVIEW

Audit and Advisory Services conducts a comprehensive systemwide risk assessment which considers approximately 120 topics based on both qualitative and quantitative factors. This assessment includes input from meetings with systemwide executive management, consideration and review of CSU strategic initiatives, and current trends and topics in higher education. The purpose of this review is to identify the top 20 topics that will be further discussed at the university level.

UNIVERSITY REVIEW

After the systemwide review is completed, the top 20 topics are incorporated with university-specific topics to create an individualized university risk assessment. This assessment at the individual university level involves interviews and surveys with university leadership, review of university strategic plans and initiatives, and prior internal and external audit history, among other factors.

A separate auxiliary organization assessment is also conducted to review the 89 recognized 501(c)3 auxiliary organizations. Collaboration with university partners is an important component of the process to ensure that the risk assessment yields the most relevant, accurate, and impactful results.

Assurance Audits

AUDIT PLAN

A customized individual audit plan is developed for each of the 23 universities and the chancellor's office, and is incorporated into the systemwide audit plan that is presented to the audit committee in the May Board of Trustees meeting. This plan includes consideration of both university-based and systemwide themes and risks and addresses core support areas, higher-education specific topics, and CSU auxiliary organizations. Throughout the year, the audit plan is continuously reassessed, and adjustments are made as needed.

The audit process does not end with the issuance of the audit report. We also dedicate time in our audit plan to work with university management to ensure that corrective action is completed timely. Each year we typically review follow-up documentation submitted to our office on approximately 250 recommendations from completed audits. We also include follow-up reviews for selected prior-year audits in our audit plan to ensure that implemented corrective actions continue to operate effectively.

Appendix A includes a brief description of the scope for each assurance audit topic planned for 2024-25.

Assurance Audit Plan

Core Support	<u>Administration and Compliance</u> <ul style="list-style-type: none">• Americans with Disabilities Act• Campus Safety• Human Resources• Police Services• Title IX• Youth Programs	<u>Business and Finance</u> <ul style="list-style-type: none">• Budget Process• Construction• Executive Travel and Hospitality• Supplier Administration and Payments	<u>Information Technology</u> <ul style="list-style-type: none">• Cloud Computing• Information Security• Logical Access and Security• Sensitive Data Management
Higher Education Specific	<u>Academic Administration</u> <ul style="list-style-type: none">• Academic Human Resources• Faculty Assigned Time and Additional Employment• Multi-Campus Centers, Institutes and Affinity Groups	<u>Student Activities and Services</u> <ul style="list-style-type: none">• Admissions• Counseling and Psychological Services• Housing	<u>University Advancement</u> <ul style="list-style-type: none">• Related audits performed in Philanthropic Foundation auxiliary reviews
CSU Auxiliary Organizations	<u>Auxiliary Organizations</u> <ul style="list-style-type: none">• Associated Students• Commercial Services• Philanthropic Foundations• Research Foundations• Site Authority		

Data Analytics



ASSURANCE AUDIT SUPPORT

Audit and Advisory Services' data analytics function works to strategically enhance assurance audits by improving the evaluation of risks and internal controls. Data analytics has been integrated into the audit planning process to identify trends or anomalies, select more relevant samples for review, and provide an analysis on the entire population of data when applicable.



CONTINUOUS MONITORING OF ANALYTICS RESULTS

The continuous monitoring phase of the project development cycle has been achieved for four data analytics areas: Concur travel, credit cards, payroll and risk indicators. Automated analytics test results in these areas are periodically reviewed at determined intervals, and we perform follow-up with university management on possible anomalies or policy exceptions. The results of this follow-up, as well as any significant trends or patterns identified by our analyses are shared with university management to proactively raise awareness of noted risks or issues.



DATA ANALYTICS PROJECTS

The data analytics team performs projects that are intended to supplement the assurance audit plan. The ultimate goal for each of our data analytics projects is to enable on-going continuous monitoring that allows us to reallocate valuable assurance resources to other areas. We are continually exploring additional areas/topics to determine whether it is viable and effective to implement data analytics processes.



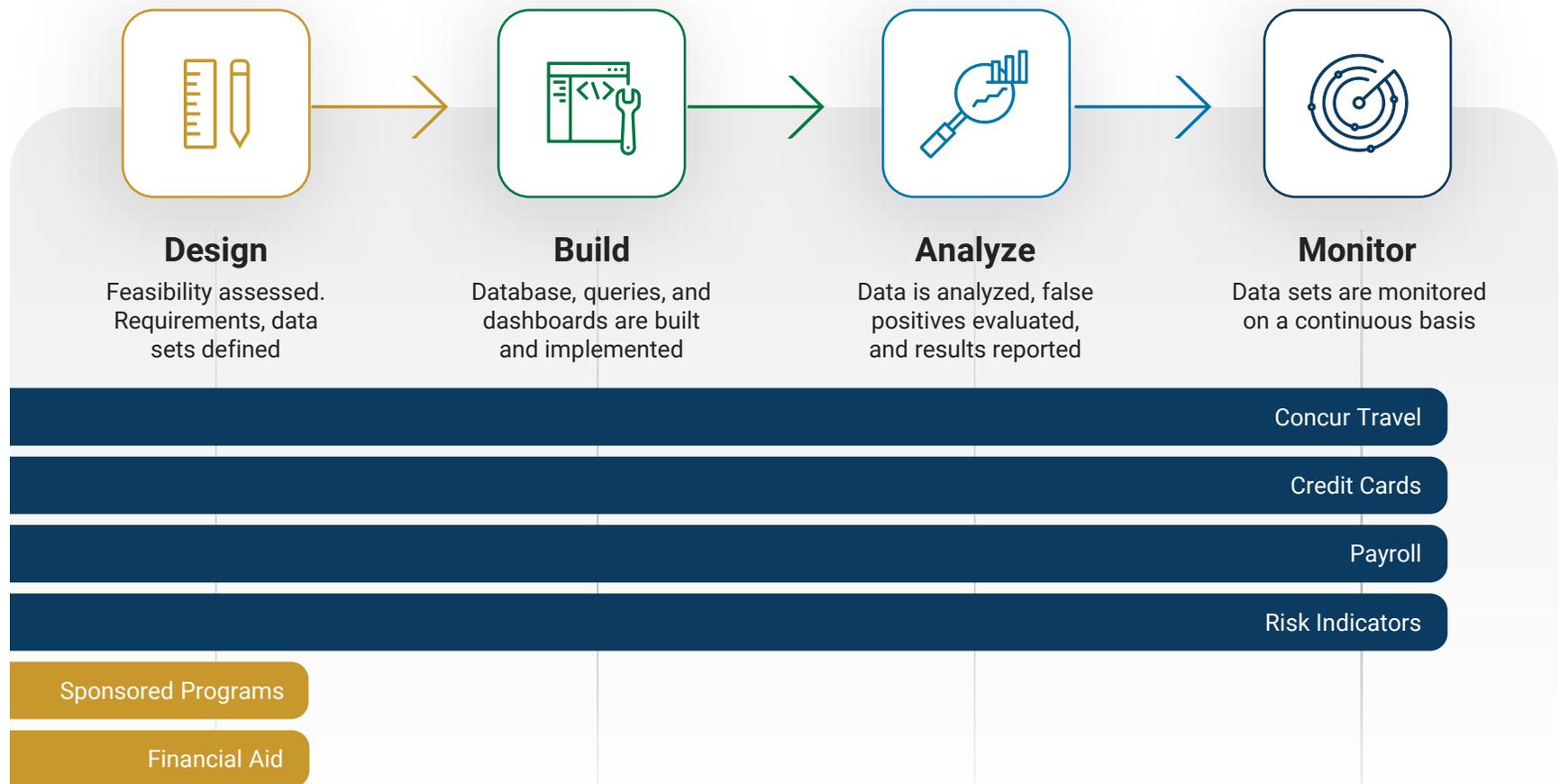
DATABASE AND DASHBOARD MANAGEMENT

Effective data management is an important component of a successful data analytics program. The data analytics team has partnered with the Chancellor's Office Business Intelligence and Data Operations team to consolidate data from various university data sources into a single database. Once consolidated, the data analytics team ensures data completeness by performing validations of the data and creates other transactional tables to be used in the data analytics process. In addition, the data analytics team creates and maintains various dashboards for use in the data analytics program. The development and maintenance of the data analytics infrastructure is a critical and time-intensive component of the Audit and Advisory Services data analytics program.

Data Analytics

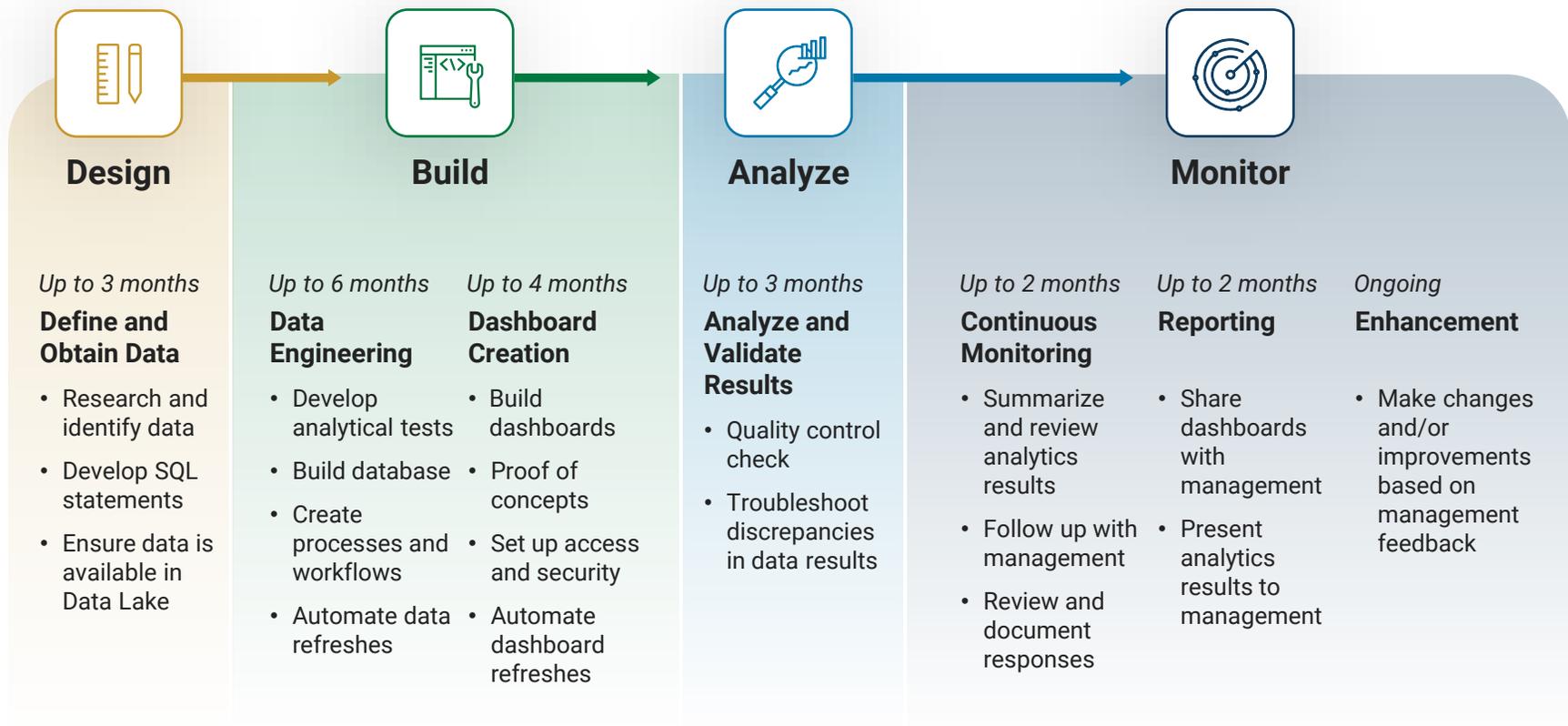
This chart illustrates the 2024-25 data analytics projects and their respective phases.

A summary of each of these data analytics projects can be found in Appendix B.



Data Analytics Process

The data analytics process is complex and involves four distinct phases: Design, Build, Analyze, and Monitor.



Advisory Services

Advisory reviews are performed at the request of university or systemwide management and are not driven by the audit risk assessment process. These collaborative projects are an important component of the internal audit function, as they are an effective way to assist management in improving operations and processes, mitigating risk, and strengthening CSU internal controls.

TYPES OF ADVISORY SERVICES



BUSINESS PROCESS ASSESSMENTS

These reviews assist university management with assessing current or proposed business processes, addressing internal controls, governance, risk management, compliance, or other areas of interest and concern.



POLICY ADVICE

These reviews are limited scope engagements to assist the university in assessing its compliance with current or newly issued policies, regulations and/or systemwide directives



TRANSITION REVIEWS

Leadership transitions are a significant milestone for an organization. Advisory transition reviews assist incoming leadership in the onboarding process by performing an operational review of key administrative processes.



PRIOR AUDIT TOPICS

Prior audit topic reviews assess controls and processes for topics that are closely aligned with the assurance audit plan but may not have taken precedence for the university during the annual risk assessment process and tend to be more operational in nature. Alternatively, if the university has received an audit, a follow-up advisory review can be requested to validate the implementation of the university's corrective action plan.

Investigations and Intergovernmental Audits



INVESTIGATIONS

The investigations unit is responsible for conducting investigations and providing support for university-conducted investigations. The investigations unit is also responsible for managing processes and information related to the university reporting of fiscal improprieties.

Because the need for investigations fluctuates depending on when issues and allegations arise, investigations resources may also be deployed to perform audit, advisory and outreach work targeted toward fraud risk and prevention.



INTERGOVERNMENTAL AUDITS

The investigations unit assists with tracking external audits being conducted by state and federal agencies, provides assistance to universities undergoing such audits, and, when appropriate, acts as a liaison for the California State University system throughout the audit process.

For audits conducted by the California State Auditor (CSA), the investigations unit facilitates inter-departmental workgroups at the Chancellor's Office to ensure that the appropriate subject matter experts are involved, and audit requests are thoroughly addressed.

Outreach & Engagement and Audit Support



OUTREACH AND ENGAGEMENT

Audit and Advisory Services partners with university and system stakeholders beyond what would be the usual course of business for an audit or advisory review in order to find opportunities to add value to the organization.

This includes activities such as participating in and leading affinity groups, providing support to university and chancellor's office management, sharing information and common themes across universities, and acknowledging feedback and insights provided by management.



AUDIT SUPPORT

Audit support includes the day-to-day administration of Audit and Advisory Services, such as scheduling; personnel administration; maintenance of department standards and protocols; administration of the department's electronic workpaper system; and department quality assurance and improvement.

Appendix A – Assurance Audit Topics

ADMINISTRATION AND COMPLIANCE

Americans with Disabilities Act

Americans with Disabilities Act (ADA) includes compliance with federal, state and local rules and regulations which relate to the Americans with Disabilities Act of 1990 and Sections 504 and 508 of the Rehabilitation Act of 1973.

Proposed scope may include, but is not limited to, review of processes to compile information and verify disabilities, provision of reasonable access to accommodations for students and employees, grievance procedures, protection of disability information from unauthorized disclosure, fiscal accountability, and processes to review and prioritize the removal of physical barriers to access.

Campus Safety

California Senate Bill 553 requires employers to establish, implement, and maintain an effective workplace violence prevention plan beginning on July, 1, 2024. In addition, establishing multidisciplinary threat assessment teams and utilizing threat assessment tools have become best practices for institutes of higher education to help prevent violence on campuses for the safety of faculty, staff, students, and visitors.

Proposed scope may include, but is not limited to, review of plans for reporting, identifying, evaluating, and responding to potential or actual workplace violence emergencies, as well as other plans and procedures used to help prevent violence on campus.

Human Resources

Human resources has oversight over processes designed to recruit, develop, and retain the over 63,000 employees in the CSU workforce.

Proposed scope may include, but is not limited to, recruiting and selection practices, training and development programs, and employee appraisals and performance evaluations.

Police Services

Each university operates a police department, whose peace officers are sworn and certified by the California Commission on Peace Officer Standards and Training.

Proposed scope may include, but is not limited to, review of certification and training records, cost recovery for services and events, overtime approvals, and proper recordkeeping and safeguarding of weapons, equipment and ammunition.

Title IX

Two reports related to Title IX processes at the CSU were issued in mid-2023, one by the California State Auditor, and the other a result of a CSU Board of Trustees-initiated review by Cozen O'Connor. The CSU is currently in the process of implementing the recommendations from these reports.

Proposed scope may include, but is not limited to, reviewing Chancellor's Office (CO) and university Title IX implementation plans, as well as the CO process to perform Title IX compliance reviews at the 23 universities.

Appendix A – Assurance Audit Topics

BUSINESS AND FINANCE

Budget Process

Budgeting is an essential component of financial planning. Accurate and reliable budgets ensure resource availability and allow organizations to accurately set goals, prioritize projects, and plan for future expenses.

Proposed scope may include, but is not limited to, review of budget policies and procedures, budget formation, monitoring practices, and actions taken to resolve discrepancies between budgeted and actual revenues and expenditures.

Construction

Major construction projects such as academic buildings, student housing, and university unions are completed every year.

Proposed scope may include, but is not limited to, review of permitting and approvals, the bid and award process, project accounting and reporting practices, and the project closeout process.

Executive Travel and Hospitality

Travel and hospitality expenses may be incurred if they are ordinary, reasonable, appropriate, and necessary to conduct official university business, and serve a purpose consistent with the mission and fiduciary responsibilities of the university.

Proposed scope may include, but is not limited to, review of travel and hospitality expenses reimbursed to, or paid on behalf of, selected executive officers and key management personnel.

Supplier Administration and Payments

The central repository of supplier information, the supplier master file (SMF), is a critical feature in the defense against fraud and erroneous payments.

Proposed scope may include, but is not limited to, processes for creating and modifying supplier records, maintenance and review of the SMF, appropriate segregation of duties, payment approval processes, and bank reconciliations.

Appendix A – Assurance Audit Topics

INFORMATION TECHNOLOGY

Cloud Computing

The CSU has adopted various strategies to migrate from traditional on-premise data centers to hybrid cloud models.

Proposed scope may include, but is not limited to, a review of university governance practices, operations of infrastructure as a service and platform as a service cloud models, and a review of the university cloud architecture as it relates to industry best practices.

Information Security

The CSU is responsible for protecting the confidentiality, integrity, and availability of CSU information assets. It is the collective responsibility of all users to safeguard information that the CSU must protect from unauthorized access; ensure the integrity and availability of information stored on or processed by CSU information systems; and ensure compliance with applicable laws, regulations, and CSU policies governing information security and privacy protection.

Proposed scope may include, but is not limited to, information security governance, asset management, access control, cryptography, operations security, incident management and compliance.

Logical Access And Security

Logical access is the process of assigning access to the various systems, designing system login authentication, and assigning segregation of duties that restrict access to certain data fields and business functions.

Proposed scope may include, but is not limited to, review of controls for granting and removal of access privileges, access to operating systems and database systems for the sampled applications, logical security measures for related data repositories, review of roles with administrative or sensitive data access, and management review of access privileges.

Sensitive Data Management

Sensitive data management is a specific subset of the systemwide information security policy that addresses the lifecycle of data including the ownership, classification, handling, storage and disposal of sensitive data.

Proposed scope may include, but is not limited to, a review of processes to periodically inventory university sensitive data, practices for ensuring the confidentiality and integrity of sensitive data stored on university systems, and compliance with the associated regulatory requirements.

Appendix A – Assurance Audit Topics

ACADEMIC ADMINISTRATION

Academic Human Resources

Academic Human Resources includes activities involved in recruiting, hiring, evaluation, and retention of the academic workforce.

Proposed scope may include, but is not limited to, review of faculty recruitment and appointment, evaluation of employees as required per collective bargaining agreements, administration of family medical leave and other employee programs, and identification and tracking of additional and outside employment activities.

Faculty Assigned Time and Additional Employment

The primary professional responsibilities of instructional faculty members are teaching, research, scholarship, creative activity, and service to the university, profession and the community. Substantially all elements of faculty employment and workload are addressed in the Unit 3 Collective Bargaining Agreement.

Proposed scope may include, but is not limited to, administration of the assignment, monitoring, and reporting of faculty workload and leave time, including procedures to review, approve and monitor requests for faculty assigned time, sabbatical leaves, and additional employment positions; and controls to ensure the accuracy of data reported in the systemwide academic personnel database.

Multi-Campus Centers, Institutes and Affinity Groups

Multi-campus centers, institutes, and affinity groups are interdisciplinary or collaborative units that are approved by the chancellor or designee to operate within the CSU and use the CSU name.

Proposed scope may include, but is not limited to, oversight and governance structures, appointment of personnel, fiscal administration and controls, and required reporting.

Appendix A – Assurance Audit Topics

STUDENT ACTIVITIES AND SERVICES

Admissions

The admissions office evaluates student applications based on a number of qualitative and quantitative factors and communicates admissions decisions to prospective students.

Proposed scope may include, but is not limited to, review of the evaluation of admissions applications, including use of supplemental admissions criteria for impacted programs, redirection of eligible applicants, transfer students, special admits, residency determinations, application fee processing and granting of fee waivers, and security of applicant data.

Counseling and Psychological Services (CAPS)

The CSU offers CAPS to matriculated CSU students to support student learning, well-being, and overall academic success.

Proposed scope may include, but is not limited to, provision of mental health services to students, medical records management, establishment and management of student mental health service fees, and management of third-party vendors and providers.

Housing

Each university provides on-campus housing options for students that provide living accommodations while complementing the academic programs of the institution. Housing often sponsors social events, discussion sessions, and other meetings and activities that build a sense of community, health and wellness. Housing administration also includes strategic planning, fiscal responsibility, and facilities maintenance.

Proposed scope may include, but is not limited to, housing agreements, resident placement, financial administration, processes to hire and train residential coordinators and advisors, residence hall programs and activities, facility maintenance, and safety procedures.

Appendix A – Assurance Audit Topics

CSU AUXILIARY ORGANIZATIONS & COMPONENT UNITS

Auxiliary organizations are non-profit organizations and separate legal entities that are authorized to provide supplemental services and support to the universities of the CSU.

Associated Students (AS)

Associated Students auxiliaries are student-run entities that include the student government and provide student-focused programs and activities.

Proposed scope may include, but is not limited to, review of auxiliary governance, student body programs run by AS such as social, cultural, educational, and entertainment opportunities, and fiscal administration.

Commercial Services

The extent of commercial services operated by auxiliaries varies by organization, and may include bookstores, dining operations, catering and event services or property management.

Proposed scope may include, but is not limited to, review of auxiliary governance, administration of commercial operations, other auxiliary functions and programs, and fiscal administration.

Philanthropic Foundations

Philanthropic foundations are auxiliary organizations that are primarily responsible for the acceptance and management of philanthropic gifts designated for the university.

Proposed scope may include, but is not limited to, review of auxiliary governance, gift and donation processing, fund-raising event administration, investment management practices, and fiscal administration.

Research Foundations

Research foundations are auxiliary organizations that are responsible for the post-award administration of grants and contracts funded by external sources.

Proposed scope may include, but is not limited to, review of auxiliary governance, roles and responsibilities for sponsored programs administration, fiscal administration of program costs, conflict-of-interest reporting, subrecipient management and monitoring, effort reporting certifications, and project close-out processes.

Appendix A – Assurance Audit Topics

CSU AUXILIARY ORGANIZATIONS & COMPONENT UNITS

While most of the discretely presented component units in the CSU financial statements are auxiliary organizations, there are a few other component units with various responsibilities that we consider during our risk assessment process.

Site Authority

The Channel Islands Site Authority is a special authority composed of representatives of the CSU and local government created for the purpose of a specific reuse plan of the property previously known as the Camarillo State Hospital to support the mission of California State University, Channel Islands.

Proposed scope may include, but is not limited to, review of organizational governance, budgeting and reserves, fiscal and contract administration, and other program operations.



Appendix B – Data Analytics Topics

MONITOR PHASE

CREDIT CARDS

All 23 universities and the chancellor's office participate in the US Bank credit card program under a systemwide contract. There are four primary types of cards: procurement, travel, one card and instant card. Credit card analytics are currently limited to accounts participating under the university contract (auxiliary organizations with separate US Bank or other bank accounts are not included).

Key data analytics areas that we plan to review include, but are not limited to:

Spending trends, account limits, credit exposure, possible split transactions, unusual transactions, and open accounts for separated employees.

MONITOR PHASE

CONCUR TRAVEL

Sixteen of the 23 universities and the chancellor's office use Concur, a web-based tool that fully integrates travel requests, reservations, and expense data into one automated system. Our analytics will review transactions processed by the chancellor's office and the 11 universities using the systemwide single instance of Concur for travel expense reporting in 2024-25.

Key data analytics areas that we plan to review include, but are not limited to:

Airline and hotel expenses over established thresholds, timely submission and approval of expense reports, and possible duplicate transactions.



Appendix B – Data Analytics Topics

MONITOR PHASE

PAYROLL

The payroll function is responsible for processing and reconciling payroll data to ensure the accuracy of employee payments. Payroll analytics are performed using reports obtained from the State Controller’s Office Personnel/Payroll Information Management System (PIMS) and the PeopleSoft Human Resources system.

Key data analytics areas that we plan to review include, but are not limited to:

Duplicate payments, overtime hours, and employees paid after separation dates.

MONITOR PHASE

RISK INDICATORS

Risk indicator dashboards have been created to assist with the identification and assessment of key risk metrics at our universities. There are ten risk metrics in the areas of finance, student affairs, human resources, and risk management and these metrics provide a way to quantify and measure risks in key areas to further strengthen our risk assessment planning process.

Key data analytics areas that we plan to review include, but are not limited to:

Budget and revenue comparison among universities and trends over the years, faculty and management turnover, training compliance, and insurance claims.



Appendix B – Data Analytics Topics

DESIGN PHASE

FINANCIAL AID

Financial aid programs provide support for students to help meet the costs of obtaining a college education.

Key data analytics areas may include, but are not limited to:

Student eligibility, athletics awards, scholarship disbursements, and financial aid payments.

DESIGN PHASE

SPONSORED PROGRAMS

Sponsored programs include all work performed under grants or contracts funded by external sources, such as federal agencies, state agencies, and non-profit organizations.

Key data analytics areas may include, but are not limited to:

Training compliance, additional employment, cost sharing, and project close-out.

CSU The California State University

23 UNIVERSITIES					
					
					
					

COMMITTEE ON AUDIT

Audited Financial Statements and Single Audit Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Tracey L. Richardson
Assistant Vice Chancellor/Controller
Financial Services

Chris Ray
Partner, Audit
KPMG

Summary

Systemwide financial statement audits are performed annually for the California State University (CSU) and for its discretely presented component units (i.e., auxiliary organizations), which separately issue stand-alone audited financial statements. The audited CSU systemwide financial statements for fiscal year ended June 30, 2023, included as Attachment A to this item, were issued with an unmodified opinion on March 27, 2024.

The CSU single audit report of federal funds was also issued on March 27, 2024, and is included as Attachment B to this item. The single audit report covers CSU's federal awards expenditures, including aid from the Higher Education Emergency Relief Fund (HEERF I, II, and III) and student financial aid, subject to both compliance and internal control audit procedures as required by the Office of Management and Budget Compliance Supplement and the Uniform Guidance. The single audit report included findings related to (1) internal controls and an instance of noncompliance over timely and accurate reporting on the HEERF grant, (2) internal controls over enrollment reporting for federal financial aid program at one campus. Corrective actions regarding the findings are in progress.



SAN FRANCISCO STATE UNIVERSITY



CALIFORNIA STATE UNIVERSITY, CHICO



SONOMA STATE UNIVERSITY



CALIFORNIA STATE UNIVERSITY, STANISLAUS



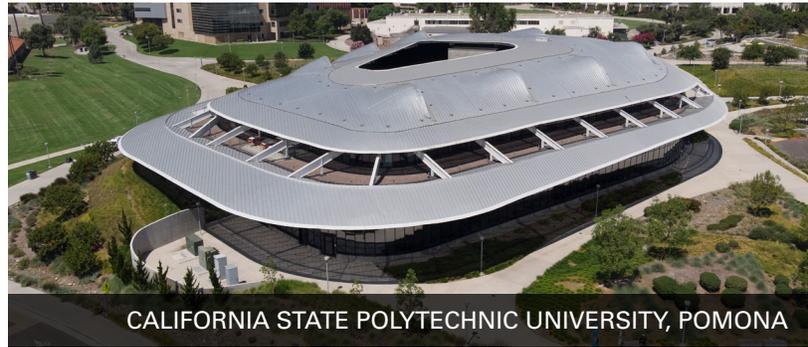
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD



CALIFORNIA STATE UNIVERSITY, EAST BAY



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE



CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA



CALIFORNIA STATE UNIVERSITY, LONG BEACH



CALIFORNIA STATE UNIVERSITY SAN MARCOS

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LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



LETTER FROM THE EXECUTIVE VICE CHANCELLOR, CHIEF FINANCIAL OFFICER



When the California State University announced the appointment of Dr. Mildred García as its 11th chancellor, Governor Gavin Newsom called the appointment “a boon for California’s future” that would help ensure that the CSU remains “the nation’s strongest incubator of upward mobility – the nucleus of the California Dream.”

A first-generation student who has lived the challenges experienced by so many of the CSU’s students, Chancellor García’s life was transformed through the power of higher education. She has dedicated her career to bringing that same transformative power to future generations of students, elevating lives, families and communities while driving social and economic prosperity. No university system does this better than, or at the scale of, the CSU.

The CSU is the nation’s largest, most ethnically and economically diverse, and most consequential four-year public university – as well as its greatest escalator to opportunity. Nowhere is this more evident than in CollegeNET’s 2023 Social Mobility Index (SMI), where the CSU dominates the rankings. In fact, Cal State universities claimed the top spot, five of the top 10 positions and 12 of the top 25. The SMI is the leading measure of approximately 1,500 universities’ impact in providing opportunities for students from all backgrounds and walks of life to graduate into well-paying jobs.

The financial benefit of a Cal State degree is clear. According to Georgetown’s Center on Education and the Workforce, a college degree has an average lifetime value of \$2.8 million dollars.

But beyond economic gain, a CSU degree provides often overlooked societal benefits. College graduates are more engaged with their communities. Degree holders volunteer more; vote more; are more likely to assume leadership roles in educational, religious or community organizations; donate more to charity; pay more in taxes; and rely significantly less on public services.

Indeed, a CSU education is a public good every bit as much as it is a private one. And it is a great value, with one of the most affordable tuition rates in the country. Sixty percent of the CSU’s students have the full cost of tuition covered by grants and financial aid, and more than half graduate with zero debt.

California’s educated workforce drives what is projected to soon become the world’s fourth-largest economy, and it is the business community’s greatest competitive advantage. The CSU fuels that workforce at an unmatched scale and with a vibrant and dynamic diversity. For example, almost 7,000 of Apple’s global employees are CSU graduates; 6,500 work at Disney; more than 6,000 work at Northrop Grumman; and Oracle, Intel and Cisco each employ more than 2,500 CSU graduates. The university system confers approximately 130,000 degrees annually and produces about half of California’s bachelor’s degrees. In fact, one out of every 10 California employees is a Cal State graduate.

Every Cal State campus partners with its local business community to help address regional challenges and economic needs. On a broader scale, Cal State universities collaborate with one another and with businesses, non-profits and governmental organizations in specialized institutes and affinity groups to develop solutions to some of the state’s most pressing challenges. This includes the areas of wildfire control, water resource management, sustainable agriculture, biotechnology, STEM education, marine and coastal resource management, palliative care, and the social sciences, to name a few.

While Chancellor García’s inspired, visionary and compassionate leadership ushers in an exciting new era for the California State University, the university system’s student-focused mission remains unchanged: to transform lives and families, to uplift communities and to drive the state toward its brightest future.

For California,

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

Steve Relyea
Executive Vice Chancellor, CFO
The California State University

INDEPENDENT AUDITORS' REPORT





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

Independent Auditors' Report

The Board of Trustees
California State University:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the California State University (the University), an agency of the State of California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2023, 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.

Except for the financial statements of the California State University Institute and the California State University Risk Management Authority, we did not audit the financial statements of the other discretely presented component units listed in note 2 to the financial statements, which represent 95.58% and 92.77%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2023 and for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the University are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities, each major fund, and the aggregate discretely presented component units of the State of California that is attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of California, as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of University's proportionate share of the net pension liability and related ratios, schedule of employer contributions related to pension, schedule of University's total other postemployment benefits liability and related ratios, and schedule of employer contributions related to other postemployment benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information included in Schedules 5 and 8 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information included in Schedules 6 and 7 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or any form of assurance thereon.

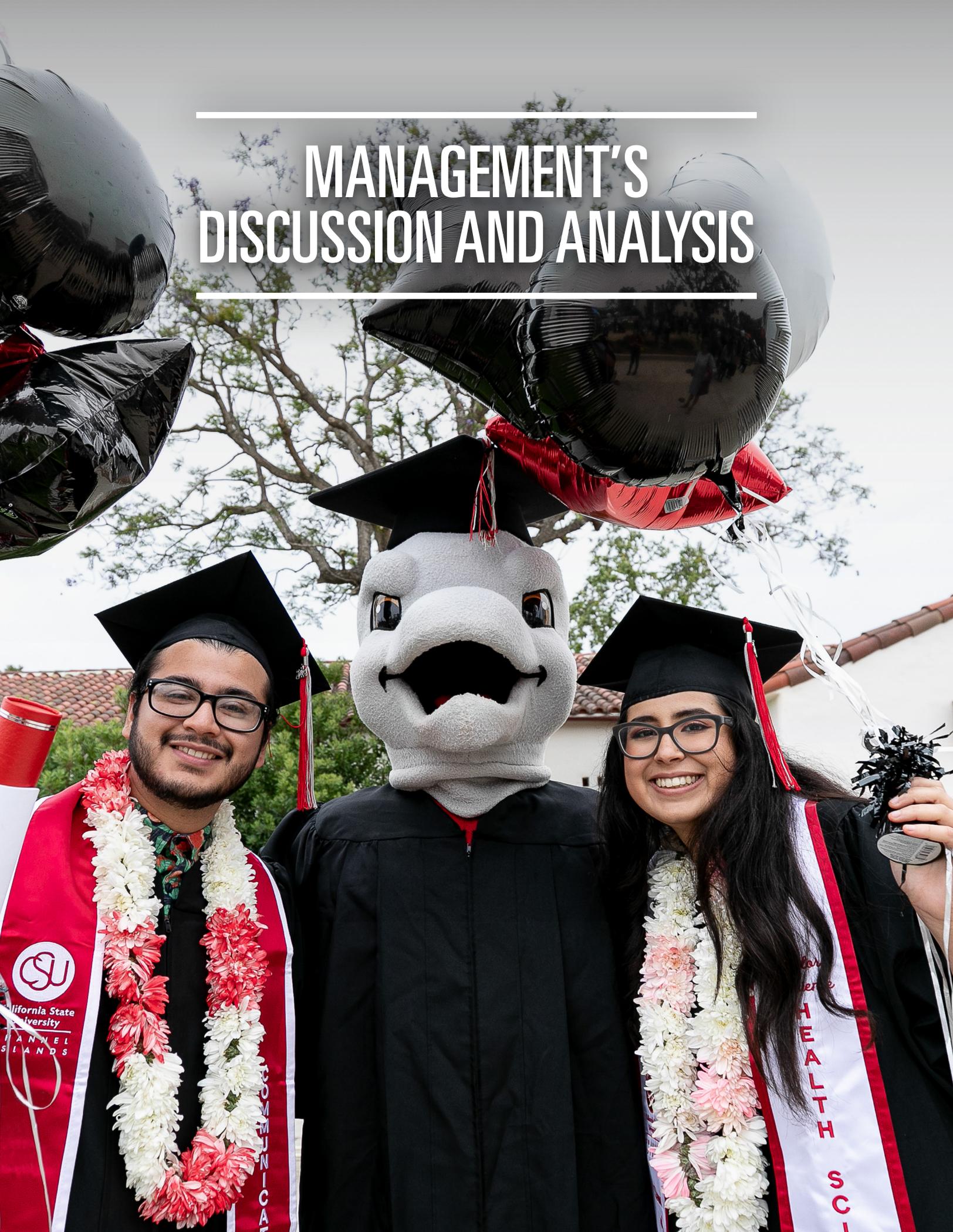
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Los Angeles, California
March 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS



CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

The discussion and analysis below provide an overview of the financial position and performance of the California State University, including 23 campuses and the Office of the Chancellor (collectively referred to as the University), and 93 discretely presented component units as of and for the year ended June 30, 2023. The discussion has been prepared by management and should be read in conjunction with the audited financial statements and accompanying notes that follow this section. Separate financial statements for each of the discretely presented component units may be obtained from the individual campuses.

The California State University

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

The University was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals in the liberal arts and sciences. As an agency of the State of California (the State), the University is also included in the State's financial statements. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the chancellor, who is the chief executive officer of the University, and the University presidents, who are the chief executive officers of the respective campuses.

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

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

Impact of COVID-19 Global Pandemic

In March 2020, the World Health Organization declared the outbreak of Coronavirus Disease (COVID-19) to be a global pandemic significantly impacting University's operations. The University faced increased costs associated with the pandemic and shift to virtual instruction. In addition, self-funded enterprise programs such as student housing, parking, dining services, and professional and continuing education suffered financially. While the University continues its efforts to respond to and mitigate the spread of COVID-19, the University resumed pre-pandemic operations in 2022.

The University received \$3.10 billion funding through the Higher Education Emergency Relief Fund (HEERF) authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020); the Coronavirus Response and Relief Supplemental Appropriations Act (2021); and the American Rescue Plan (2021). The financial support received from federal sources allowed the University to offer emergency grants to students experiencing financial hardships due to COVID-19. A portion of the funds were also available to cover costs incurred by the University associated with significant changes to the delivery of instruction following the global pandemic.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

Further, certain component units received federal Payroll Protection Program (PPP) loans administered by the U.S. Small Business Administration (SBA).

Financial Statements

The financial statements of the University as of and for the year ended June 30, 2023 have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. For reporting purposes, the University is considered a special-purpose government engaged in business-type activities.

This discussion and analysis is intended to serve as an introduction to the University's basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements are designed to provide readers with information on the financial position of the University and the financial activity and results of its operations during the year. The University's discretely presented component units are presented in a separate column to enable the reader to distinguish between the University and these separate but related not-for-profit organizations.

The University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the fiscal year ended June 30, 2023. This changed the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITA). This Statement applies to contracts that convey the right to use another party's information technology software as specified in the contract in an exchange or exchange-like transaction for a term exceeding 12 months. A right-to-use (ROU) subscription asset and a corresponding subscription liability should be recognized at the commencement of the subscription term which is when the subscription asset is placed into service. As a result of the implementation, the University applied the standard retroactively for the year ended June 30, 2022 for SBITA. See note 2 Summary of Significant Accounting Policies for more information regarding the restatement. The amounts reported for 2022 in the MD&A were not adjusted for the restatement.

Following the State's adoption of GASB Statement No. 84 *Fiduciary Activities*, the State's payroll revolving fund was reclassified as a non-fiduciary activity because it is derived solely from a government's own-source revenues. Due to this implementation, the State adopted an allocation methodology and required the University to record a portion of the payroll revolving fund originating from the University. This resulted in an increase in the beginning balance of cash and cash equivalents by \$333.14 million, increase in accounts receivable, net by \$2.49 million, and increase in accrued salaries and benefits by \$335.62 million. There was no impact to net position. The amounts reported for 2022 in the MD&A were not adjusted as a result of this implementation.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

Statement of Net Position

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

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

Statement of Revenues, Expenses and Changes in Net Position

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

Statement of Cash Flows

The Statement of Cash Flows presents the changes in the University's cash and cash equivalents during the most recent fiscal year. The Statement is prepared using the direct method and 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 Statement of Cash Flows provides additional information about the financial health of the University. The statement assesses the University's ability to generate future cash flows, the ability to meet obligations as they come due, and the need for external financing. The Statement of Cash Flows for the discretely presented component units is not included in the University's financial statements.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

Financial Position

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

	University		Discretely presented component units	
	2023	2022	2023	2022
	(In thousands)			
Assets				
Current assets	\$ 6,083,603	5,146,226	2,093,429	1,809,586
Capital assets, net	12,046,134	11,743,837	1,041,436	993,911
Other noncurrent assets	3,959,149	3,666,155	3,724,903	3,568,376
Total assets	22,088,886	20,556,218	6,859,768	6,371,873
Deferred outflows of resources	5,480,742	3,312,096	76,691	46,499
Liabilities				
Current liabilities	2,278,404	1,705,836	617,330	504,021
Noncurrent liabilities	31,618,768	31,010,137	1,168,940	1,119,432
Total liabilities	33,897,172	32,715,973	1,786,270	1,623,453
Deferred inflows of resources	5,962,940	5,115,906	458,730	468,733
Net position				
Net investment in capital assets	3,572,960	3,538,920	396,572	402,479
Restricted				
Nonexpendable	1,595	1,641	1,830,118	1,731,240
Expendable	131,415	146,928	1,457,874	1,303,722
Unrestricted	(15,996,454)	(17,651,054)	1,006,895	888,745
Total net position	<u>\$ (12,290,484)</u>	<u>(13,963,565)</u>	<u>4,691,459</u>	<u>4,326,186</u>

Current assets include those that may be used to support current operations, and consist primarily of cash and cash equivalents, short-term investments, and accounts receivable. Other noncurrent assets are primarily composed of lease receivable, notes receivable, and other long-term investments.

Current liabilities generally are due and payable within one year and include accounts payable, accrued salaries and benefits, unearned revenues, and current portion of lease liabilities, SBITA liabilities, and long-term debt obligations. Noncurrent liabilities are primarily composed of the net pension liability, other postemployment benefits (OPEB) liability, and noncurrent portion of lease liabilities, SBITA liabilities, and long-term debt obligations.

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Deferred outflows of resources are consumption of assets that are applicable to a future reporting period, which has a positive effect on the net position. Deferred outflows of resources consist of transactions related to pension, OPEB, and loss on debt refunding.

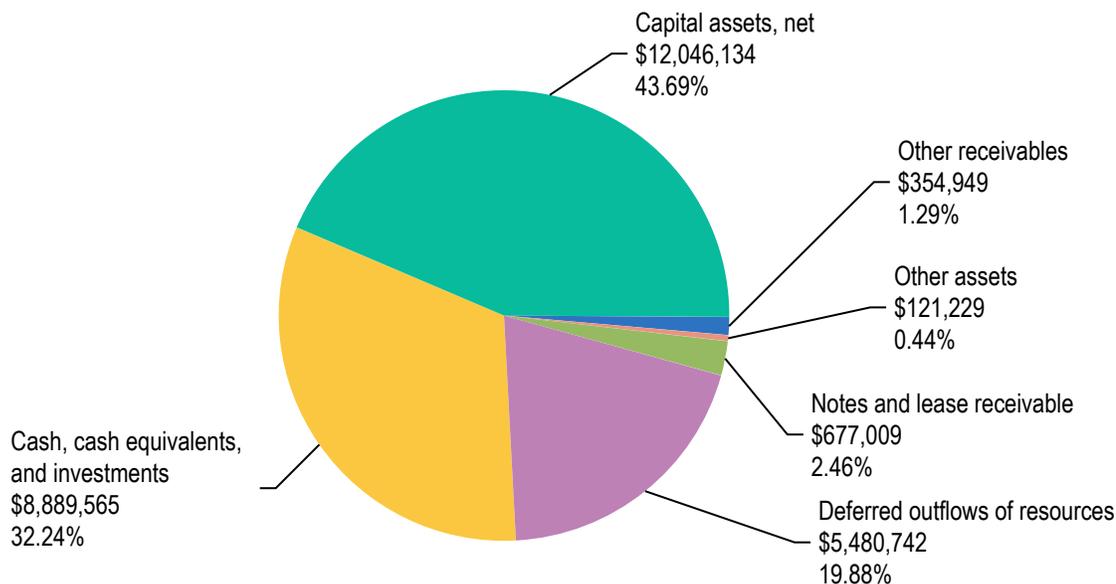
Deferred inflows of resources are acquisition of net assets that are applicable to a future reporting period, which has a decreasing effect on the net position. Deferred inflows of resources consist of transactions related to pension, OPEB, leases, gain on debt refunding, and nonexchange transactions.

The University's Financial Position

Assets and Deferred Outflows of Resources

Total assets increased to \$22.09 billion in 2023 from \$20.56 billion in 2022 . Deferred outflows of resources increased to \$5.48 billion in 2023 from \$3.31 billion in 2022.

University's Assets and Deferred Outflows of Resources for 2023
(In thousands)



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Capital Assets, Net

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

	<u>2023</u>	<u>2022</u>
	(In thousands)	
Land and land improvements	\$ 420,158	403,563
Buildings and building improvements	8,546,666	7,745,208
Improvements other than buildings	267,775	195,634
Infrastructure	847,404	721,235
Equipment	229,264	205,797
Library books and materials	32,412	32,607
Works of art and historical treasures	59,085	58,119
Intangible assets	88,473	115,611
Construction work in progress	1,158,003	1,955,854
ROU assets	396,894	310,209
Total capital assets, net	<u>\$ 12,046,134</u>	<u>11,743,837</u>

The University continues to expand its campuses and renovate existing facilities to meet the needs of students, faculty, and staff. The capital spending includes constructing and renovating academic buildings, student union and recreation centers, and housing facilities. Major projects in 2023 included the Fresno Central Utility Plant replacement, Humboldt Craftsman Mall Student Housing, Northridge Sierra Annex Academic building, San Diego Mission Valley, San Francisco West Campus Green Housing/Health Center, San Francisco Science building replacement, and San Jose Interdisciplinary Science building.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents of \$372.83 million in 2023 mainly consist of demand deposits held at the State Treasury, commercial banks, and petty cash.

The University invests its funds mainly in the Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), and the Total Return Portfolio (TRP), collectively referred herein as CSU Consolidated Investment Pool. The purpose of the Liquidity Portfolio is to provide sufficient and immediate liquidity to meet the operating needs of the University. The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on University funds not needed for immediate liquidity. The investment objective for TRP is to achieve prudent return within a moderate risk level. In addition, funds are invested in Surplus Money Investment Fund (SMIF), which is managed and invested by the State Treasurer in a short-term pool. The proceeds from the sale of Systemwide Revenue Bonds (SRB) are held by the State and invested in SMIF, as required by state law.

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The investment balances are as follows as of June 30:

	2023	Percentage of total	2022	Percentage of total
	(In thousands)	%	(In thousands)	%
Liquidity portfolio (LP)	\$ 3,786,050	44.46	\$ 3,487,319	45.78
Intermediate duration portfolio (IDP)	1,247,580	14.65	1,251,320	16.43
Total return portfolio (TRP)	2,398,324	28.16	1,374,368	18.04
Surplus money investment fund (SMIF)	1,084,782	12.73	1,505,112	19.75
Total investments	<u>\$ 8,516,736</u>	<u>100.00</u>	<u>\$ 7,618,119</u>	<u>100.00</u>

Investments increased by \$898.62 million due to increased investments from operating funds, Learning-Aligned Employment Program, a multi-year program ending in 2031 that received full funding in 2023, and investment gains/earnings. This is offset by capital project spending and debt service payments.

Notes and Lease Receivable

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

Before a change in state law in 2008, ground lease agreements between campuses and discretely presented component units facilitated the debt financing. The outstanding lease receivable from discretely presented component unit financed from the SRB program decreased to \$166.07 million in 2023 from \$179.26 million in 2022. All other lease receivable have increased to \$56.61 million in 2023 from \$55.15 million in 2022.

Subsequent to the state law change in 2008, loan arrangements are exclusively used when discretely presented component units finance facilities from the SRB program. Under the terms of the loan agreement, in return for the loan from the University, the component unit agrees to acquire, construct and/or maintain the facility and repay the loan to the University. The outstanding loan balance is carried by the University as notes receivable. Notes receivable from discretely presented component units increased to \$451.85 million in 2023 from \$431.15 million in 2022. This is due to \$38.07 million new loan agreements, reduced by collection of \$15.03 million and \$2.33 million in adjustments.

Notes receivable unrelated to the SRB program have decreased to \$2.48 million in 2023 from \$10.31 million in 2022.

Deferred Outflows of Resources

Deferred outflows of resources increased by \$2.17 billion in 2023. The deferred outflows related to OPEB increased \$1.05 billion due to changes in the demographic experience resulting from more members retiring, retiring earlier, and living longer than assumed, unfavorable healthcare claims experience and plan design changes where member claim costs were slightly higher than assumed. In addition, the deferred outflows of resources related to pension increased by \$1.25 billion due to the difference between projected and actual earnings on pension plan investments, and changes in assumptions of \$842.42 million. The University's OPEB and pension contributions made subsequent to measurement date increased by \$230.19 million. These are offset by the decrease in the University's proportionate share in the State's pension plan by \$244.19 million and the change in proportionate share of the beginning balance

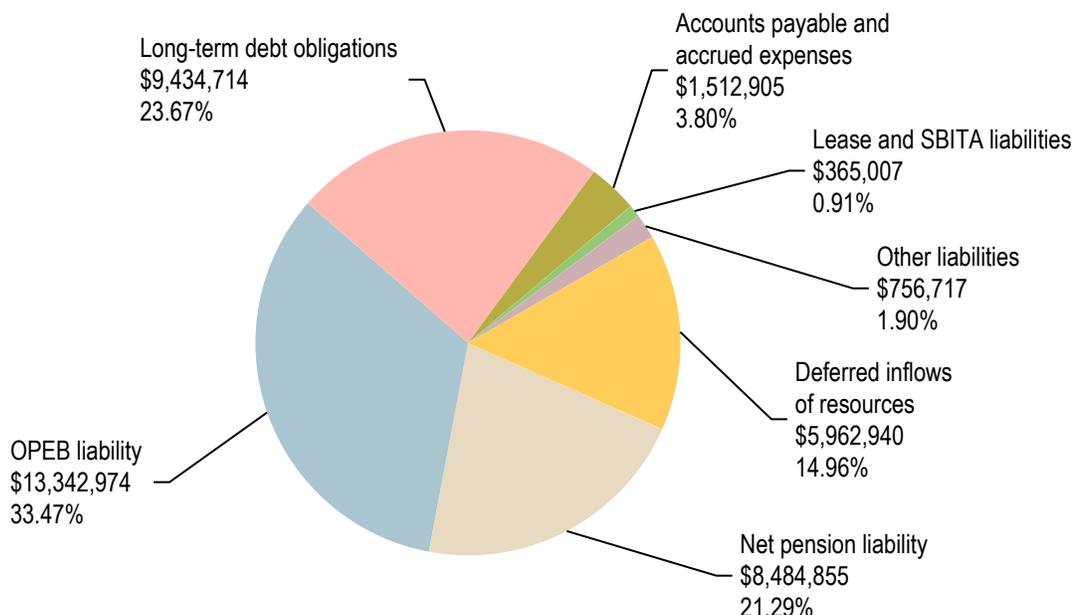
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related to pension by \$40.26 million. The amortization expense also decreased the deferred outflows of resources during the year by \$920.58 million.

Liabilities and Deferred Inflows of Resources

Total liabilities increased to \$33.90 billion in 2023 from \$32.72 billion in 2022. Deferred inflows of resources increased to \$5.96 billion in 2023 from \$5.12 billion in 2022.

University's Liabilities and Deferred Inflows of Resources for 2023
(In thousands)



OPEB Liability

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

OPEB liability decreased to \$13.34 billion in 2023 from \$15.43 billion in 2022. The decrease in OPEB liability is mainly due to the higher discount rate at 3.69% compared to 1.92% from previous measurement date. Employer pay-as-you-go contributions also reduced the OPEB liability. This is offset by change in the demographic experience, plan design changes, service cost, interest, and changes in other actuarial assumptions.

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Long-Term Debt Obligations

The University's capital assets are financed using the State's capital appropriations, SRB, and reserves. Bond anticipation notes (BAN) provide short-term financing for capital assets during the construction period. The University's total long-term debt obligations decreased by \$215.54 million in 2023. The University's long-term debt obligations are summarized as follows as of June 30:

	<u>2023</u>	<u>2022</u>
	(In thousands)	
Systemwide revenue bonds (SRB)	\$ 8,556,625	8,760,030
Bond anticipation notes (BAN)	151,711	115,370
State public works board (SPWB) lease revenue bond	96,805	96,805
Other long-term debt obligations	79,121	96,637
	<u>8,884,262</u>	<u>9,068,842</u>
Unamortized net bond premium	550,452	581,410
Total long-term debt obligations	9,434,714	9,650,252
Less current portion	(259,325)	(232,066)
Total long-term debt obligations, net of current portion	<u>\$ 9,175,389</u>	<u>9,418,186</u>

- *Systemwide Revenue Bonds (SRB)*

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

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

The long-term debt obligations related to SRB decreased by \$203.41 million due to payments of outstanding debt.

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- *Bond Anticipation Notes (BAN)*

BANs are used as short-term financing to acquire and construct capital assets. The BAN payable increased by \$36.34 million from prior year's balance of \$115.37 million, due to issuance of additional BANs amounting to \$52.69 million, offset by redemption of \$16.35 million.

- *State Public Works Board (SPWB) Lease Revenue Bonds*

The long-term debt obligation related to SPWB lease revenue bond program as of June 30, 2023 is \$96.81 million. The University has participated in the SPWB program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California augments the University's operating budget to provide additional funds for the required debt service.

- *General Obligation (GO) Bonds*

The State's GO Bond program has provided capital funding for various projects of the University. The debt related to these projects is not allocated to the University by the State and is not recorded in the University's financial statements. The total GO Bonds carried by the State related to University projects decreased to \$1.72 billion in 2023 from \$1.82 billion in 2022. As a result of the enactment of Education Code Section 89770, the University's share continues to decrease as bonds are paid by the State with no new debt issued for capital facilities.

Net Pension Liability

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

The net pension liability increased to \$8.48 billion in 2023 from \$5.62 billion in 2022. The increase is mainly due to \$1.91 billion of additional pension liability which included the impact of service costs, interest, and administrative expenses, \$1.76 billion increase due to the difference in actual earnings on pension plan investments compared to projected earnings, and \$842.42 million due to change in assumptions. The increase is offset by the combined retirement contributions of the University and its employees of \$1.39 billion, and \$253.52 million due to difference between expected and actual experience.

Deferred Inflows of Resources

Deferred inflows of resources increased by \$847.03 million to \$5.96 billion in 2023 from \$5.12 billion in 2022 due to \$3.78 billion increase related to changes in actuarial assumptions (i.e., discount rate changes to 3.69% from 1.92%, healthcare trends, participation rates, and plan election assumptions) used in determining OPEB liability. In addition, the deferred inflows related to pension increased by \$854.37 million mainly due to changes in the proportionate share in pensionable compensation and differences between expected and actual experience. Leases increased deferred inflows of resources by \$1.88 million. These were offset by the \$1.41 billion amortization during the year, decrease of

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\$2.11 billion due to the net difference between projected and actual earnings on pension plan investments, and a decrease of \$263.84 million for the proportionate share change of the beginning balance related to pension.

Net Position

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

Net position by category are as follows as of June 30:

	<u>2023</u>	<u>2022</u>
	(In thousands)	
Net investment in capital assets	\$ 3,572,960	3,538,920
Restricted		
Nonexpendable	1,595	1,641
Expendable	131,415	146,928
Unrestricted	<u>(15,996,454)</u>	<u>(17,651,054)</u>
Total net position	<u>\$ (12,290,484)</u>	<u>(13,963,565)</u>

- *Net Investment in Capital Assets*

The net position category "Net investment in capital assets" represents the University's capital assets, net of accumulated depreciation and amortization, and also net of outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources. The net investment in capital assets increased to \$3.57 billion in 2023 from \$3.54 billion in 2022.

- *Restricted*

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

- i. *Restricted Nonexpendable*

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

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ii. Restricted Expendable

Restricted expendable net position represents resources that are subject to external restrictions on how they may be used. Such restrictions are primarily related to scholarships and fellowships, research, loans, capital projects, and debt service funds. The restricted expendable net position decreased mainly due to debt service payments.

- *Unrestricted*

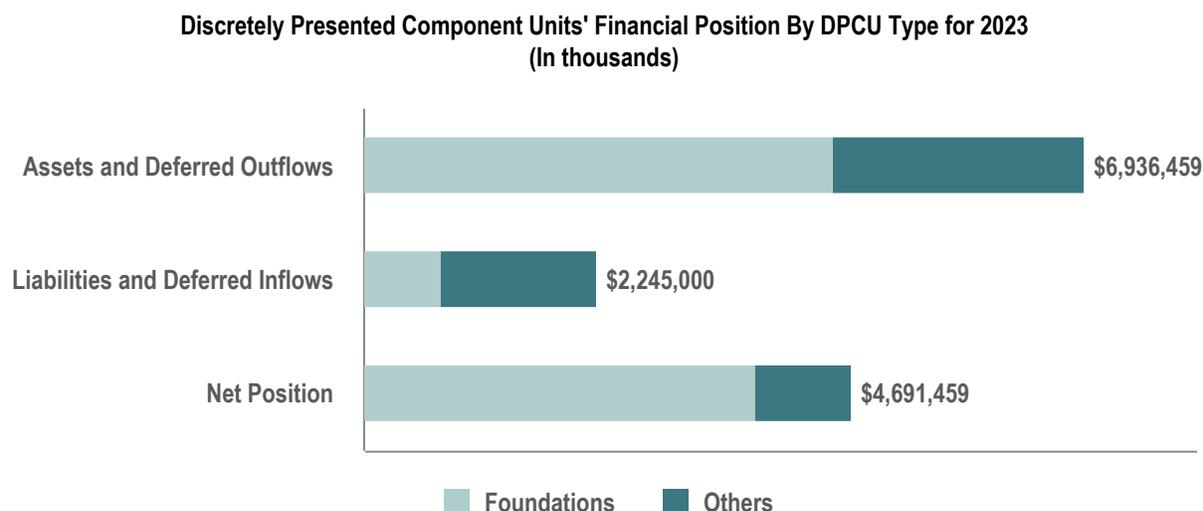
The unrestricted net position represents all other net resources available to the University for general and educational obligations. Under U.S. generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net position is not subject to externally imposed restrictions per accounting definitions, the predominant portions of the unrestricted net position are designated by statute for specific programs or projects related to certain revenue sources. The University, an agency of the State of California, considers statutory restrictions as internally imposed restrictions rather than externally imposed restrictions.

These resources are derived from fee collections and other activities that are designated for very specific purposes and are not to be repurposed and spent on other activities. For example, students pay fees, including housing, parking, and campus activities fees, all of which are to be used for specific designated purposes as described in the State of California Education Code. The University also has certain designated resources that represent amounts pledged to support the SRB program.

On June 30, 2023, unrestricted net position reflects a deficit of \$16.00 billion due primarily to the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* during 2015, and the implementation of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in 2018. These Statements require the University to record its share of the State's actuarially determined liabilities for pension and OPEB. Unrestricted net position increased \$1.65 billion in 2023. Operating losses associated with unrestricted activities and interest expense on capital-asset-related debt were offset by unrestricted investment income, state appropriations, and state financial aid grants. Despite the deficit, the University's current ratio, which measures its ability to pay-off short-term obligations, remains positive for both years at an average of 2.84.

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Discretely Presented Component Units' Financial Position



Assets and Deferred Outflows

Discretely presented component units managed \$6.86 billion and \$6.37 billion of assets, representing 23.70% and 23.66% of the University's combined total assets in 2023 and 2022, respectively. Foundations, that administer a variety of activities primarily consisting of sponsored programs and philanthropic gifts, managed \$4.48 billion or 65.35% of the total assets of all discretely presented component units in 2023.

The increase in assets of the discretely presented component units is primarily due to favorable market conditions increasing the market value of investments, increase in notes receivable for capital projects, and increase in capital assets, net and lease receivable resulting from implementation of new accounting standards.

Discretely presented component units' deferred outflows of resources increased to \$76.69 million in 2023 from \$46.50 million in 2022. Deferred outflows of resources related to pension and OPEB increased in 2023.

Liabilities and Deferred Inflows

Discretely presented component units have \$1.79 billion and \$1.62 billion of liabilities, representing 5.01% and 4.73% of the University's combined total liabilities in 2023 and 2022, respectively. The liabilities from commercial papers issued by CSU Institute, unearned revenues, and net pension liability increased in 2023.

Discretely presented component units' deferred inflows of resources is \$458.73 million and \$468.73 million in 2023 and 2022, respectively. Deferred inflows of resources related to pension, leases, and OPEB decreased in 2023.

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Net Position

Discretely presented component units' net position is \$4.69 billion and \$4.33 billion in 2023 and 2022, respectively.

The restricted net position, expendable and nonexpendable, of the discretely presented component units was \$3.29 billion and \$3.03 billion, representing 96.11% and 95.33% of the University's total combined restricted net position in 2023 and 2022, respectively.

The combined University and discretely presented component units' net position reflects a deficit of \$7.60 billion in 2023 compared to \$9.64 billion deficit in 2022.

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Results of Operations

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

	University		Discretely presented component units	
	2023	2022	2023	2022
	(In thousands)			
Operating revenues				
Student tuition and fees, net	\$ 2,319,592	2,331,726	—	—
Grants and contracts, noncapital	82,795	73,966	729,491	634,268
Sales and services of educational activities	60,459	38,580	62,446	36,911
Sales and services of auxiliary enterprises, net	752,878	627,545	421,215	354,116
Other operating revenues	306,937	258,134	676,546	583,977
Total operating revenues	3,522,661	3,329,951	1,889,698	1,609,272
Operating expenses	10,674,769	10,594,647	2,115,869	1,852,515
Operating loss	(7,152,108)	(7,264,696)	(226,171)	(243,243)
Nonoperating revenues (expenses)				
State appropriations, noncapital	6,223,371	5,596,488	—	—
Financial aid grants, noncapital	2,311,383	1,986,733	2,552	1,845
Grants and gifts, noncapital	335,461	1,760,041	229,689	316,119
Investment income (loss), net	298,874	(334,395)	94,685	(110,523)
Endowment income (loss), net	(15)	11	180,901	(231,458)
Interest expense	(321,904)	(319,381)	(20,229)	(21,736)
Other nonoperating revenues (expenses)	(93,790)	(51,624)	23,025	32,393
Net nonoperating revenues (expenses)	8,753,380	8,637,873	510,623	(13,360)
Income (loss) before other revenues (expenses)	1,601,272	1,373,177	284,452	(256,603)
State appropriations, capital	—	138	—	—
Grants and gifts, capital	71,809	132,011	43,192	42,238
Additions to permanent endowments	—	—	46,092	73,237
Change in net position	1,673,081	1,505,326	373,736	(141,128)
Net position – beginning of year, as restated	(13,963,565)	(15,468,891)	4,317,723	4,467,314
Net position – end of year	<u>\$ (12,290,484)</u>	<u>(13,963,565)</u>	<u>4,691,459</u>	<u>4,326,186</u>

The beginning net position of the discretely presented component units of the University has been restated to reflect changes mainly due to correction of accounting errors and implementation of new accounting standards.

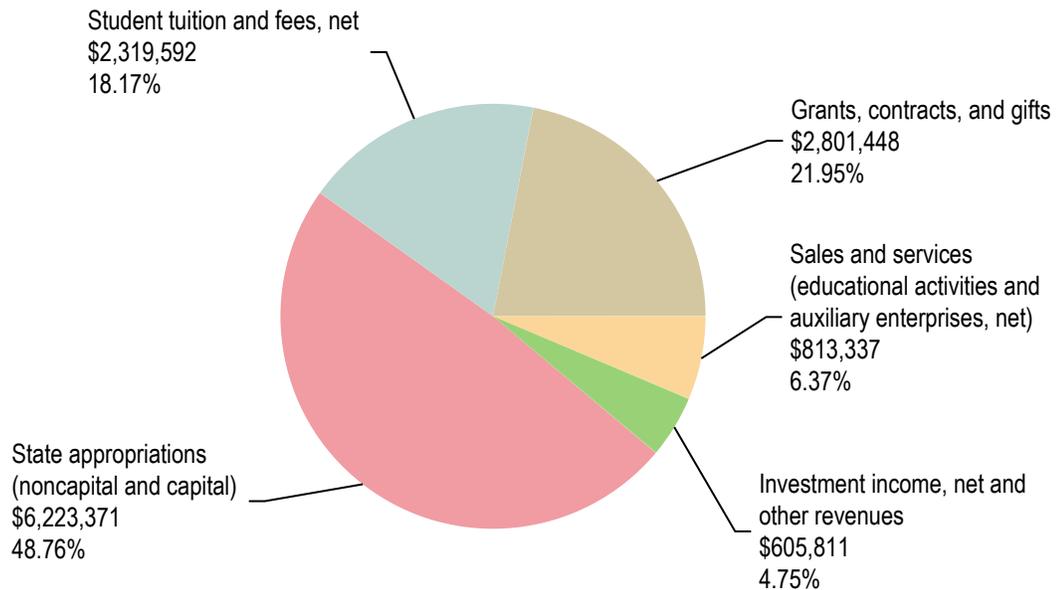
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For additional information regarding the restatement of the individual discretely presented component units, refer to their separately issued financial statements.

Revenues (Operating and Nonoperating)

The University's two major sources of revenues are state appropriations and student tuition and fees, net, which accounted for a combined 66.93% and 63.57% of total revenues in 2023 and 2022, respectively. State appropriations are received for both noncapital and capital purposes. Another major source of revenues are grants, contracts, and gifts which represent 21.95% of total revenues in 2023.

University's Revenues (Operating and Nonoperating) for 2023
(In thousands)



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The University's total revenues consisted of the following:

	2023	Percentage of total	2022	Percentage of total
	(In thousands)	%	(In thousands)	%
State appropriations (noncapital and capital)	\$ 6,223,371	48.76	\$ 5,596,626	44.88
Student tuition and fees, net	2,319,592	18.17	2,331,726	18.70
Grants, contracts, and gifts	2,801,448	21.95	3,952,751	31.70
Sales and services (educational activities and auxiliary enterprises), net	813,337	6.37	666,125	5.34
Investment income (loss), net and other revenues	605,811	4.75	(76,250)	(0.62)
Total revenues (operating and nonoperating)	<u>\$ 12,763,559</u>	<u>100.00</u>	<u>\$ 12,470,978</u>	<u>100.00</u>

State Appropriations (Noncapital and Capital)

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

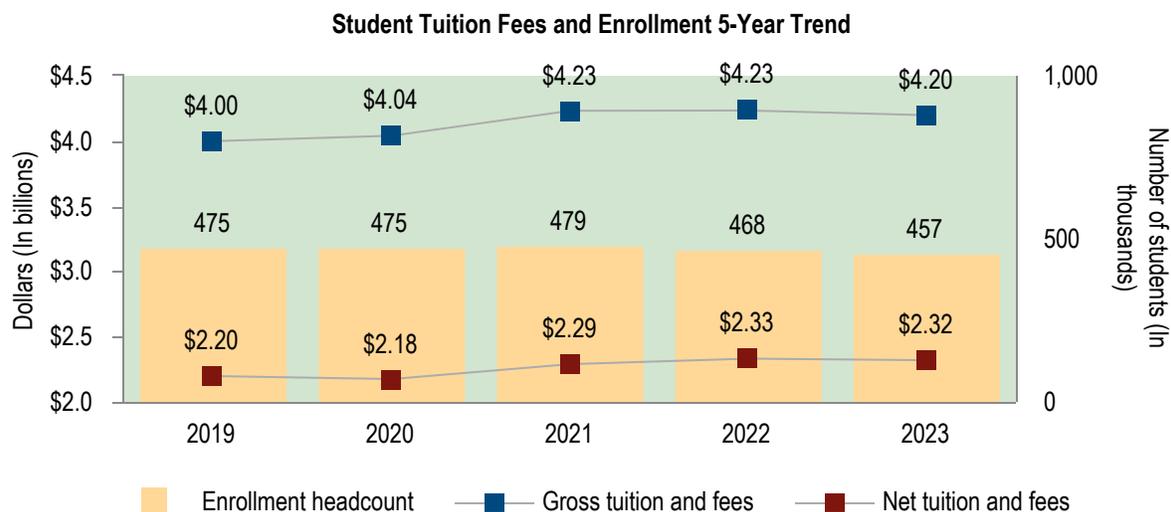
	2023	2022
	(In thousands)	
State appropriations, general fund	\$ 5,765,422	5,207,394
State's contribution on behalf of the University for OPEB	457,949	389,094
Total state appropriations, noncapital	<u>6,223,371</u>	<u>5,596,488</u>
State appropriations, capital	—	138
Total state appropriations (noncapital and capital)	<u>\$ 6,223,371</u>	<u>5,596,626</u>

State appropriations are shown as nonoperating revenues but are primarily used to fund the University's core operations. The State general fund appropriations increased by \$558.03 million in 2023 to support operating costs.

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Student Tuition and Fees, Net

The student tuition and fees (before scholarship allowances) amounted to \$4.20 billion in 2023. The following chart displays the five-year trend between enrollment headcount and student tuition and fees:



The gross student tuition and fees revenue reflects an increasing trend from 2019 to 2021. The peak in 2021 is primarily due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, when certain fee-based student programs are now presented as the University's student tuition and fees rather than depository transactions on behalf of discretely presented component units. Following this peak, the trend on student tuition and fees remained consistent from 2021 to 2023.

The University offers eligible students fee waivers and institutional grants that are applied toward student tuition and fees, in addition to federal agencies, state agencies, and nongovernmental student financial aid grants. Collectively, these are referred to as scholarship allowance, an offset to the gross student tuition and fees. The gap between the gross and net student tuition and fees reflects growth or decline in the waivers and financial aid grants made available to students. During the last five years, approximately half of student tuition and fees were paid through waivers and financial aid grants.

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The gap in the last two years is shown in the following table:

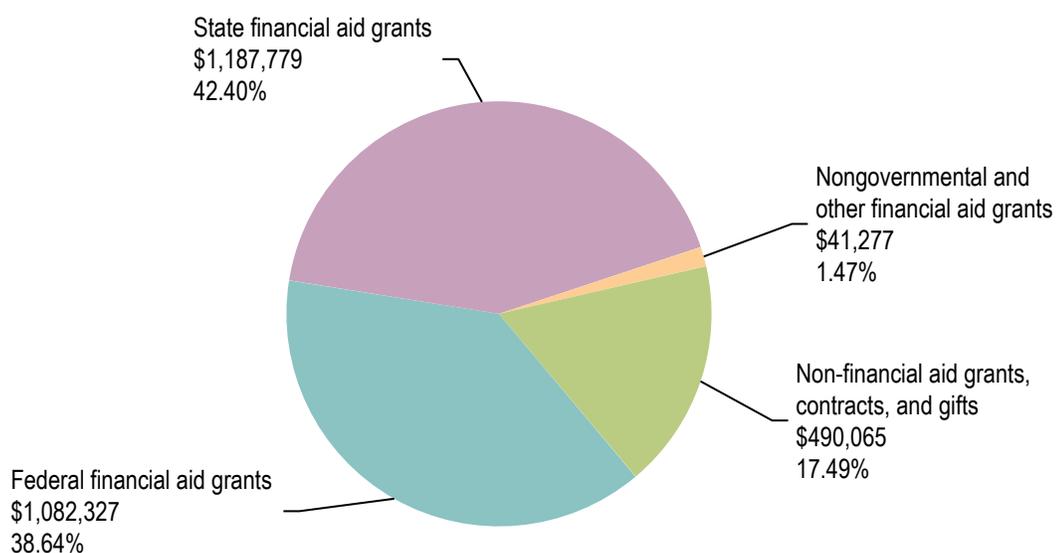
	<u>2023</u>	<u>2022</u>
	(In thousands)	
Gross student tuition and fees	\$ 4,197,833	4,233,773
Less		
Financial aid grants	(1,055,645)	(1,098,438)
Institutional grants	(822,596)	(803,609)
Total student tuition and fees, net	<u>\$ 2,319,592</u>	<u>2,331,726</u>

Scholarship allowance of \$1.06 billion from financial aid grants were comprised of \$347.04 million from Federal Pell Grant program, \$559.99 million from California Grant program, \$143.31 million from Middle Class Scholarship, and \$5.30 million from other sources. The scholarship allowance from institutional grants of \$822.60 million includes \$715.81 million from State University Grants (SUG) and \$106.79 million from other sources.

Grants, Contracts, and Gifts

Grants, contracts, and gifts revenues are derived substantially from the student financial aid grants from federal agencies, state agencies, and nongovernmental grantors. Major federal financial aid grants came from the Pell Grant, Federal Supplemental Educational Opportunity Grant, and Federal Work-Study. Major state financial aid grants came from Cal Grants and Middle Class Scholarship. HEERF grants are reported under other federal nonoperating grants in the Statement of Revenues, Expenses, and Changes in Net Position.

University's Grants, Contracts, and Gifts for 2023
(In thousands)



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Student financial aid grants totaled \$2.31 billion, an increase of \$324.65 million from the previous year mainly due to the increase in the Middle Class Scholarship from the State for undergraduates and students pursuing a teaching credential.

The remainder of the grants, contracts, and gifts include non-financial aid grants, contracts, changes to permanent endowments, and gifts (capital and noncapital), which amounted to \$490.07 million, or 17.49%, of total grants, contracts, and gifts. Other federal nonoperating grants of \$261.98 million included \$258.06 million of the remaining HEERF grants provided as financial aid to students and to the University to help with expenses and revenue losses associated with the COVID-19 pandemic. Noncapital grants and contracts, and gifts of \$228.08 million included gifts received from discretely presented component units amounted to \$99.41 million.

Sales and Services (Educational Activities and Auxiliary Enterprise)

Sales and services of educational activities include revenues related incidentally to the conduct of instruction, research, and public service, and revenues for activities that exist to provide instructional and laboratory experience for students that incidentally create goods and services that may be sold to faculty, students, staff, and the general public. Net revenues from sales and services of educational activities amounted to \$60.46 million in 2023, an increase from \$38.58 million in 2022.

Auxiliary enterprises exist predominantly to furnish goods or services to students, faculty, or staff, for a fee. Net revenues from sales and services of auxiliary enterprises, primarily from student housing and parking, amounted to \$752.88 million, which is a \$125.33 million increase when compared to 2022. The increase is due to the slowing down of COVID-19 pandemic as operations and demand returned closer to normal.

Investment Income, Net and Other Revenues

Investment income, net and other revenues amounted to \$605.81 million in 2023 from \$76.25 million loss in 2022, an increase of \$682.06 million due to rise in unrealized investment gains during the fiscal year compared to unrealized investment losses in prior year.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

Expenses (Operating and Nonoperating)

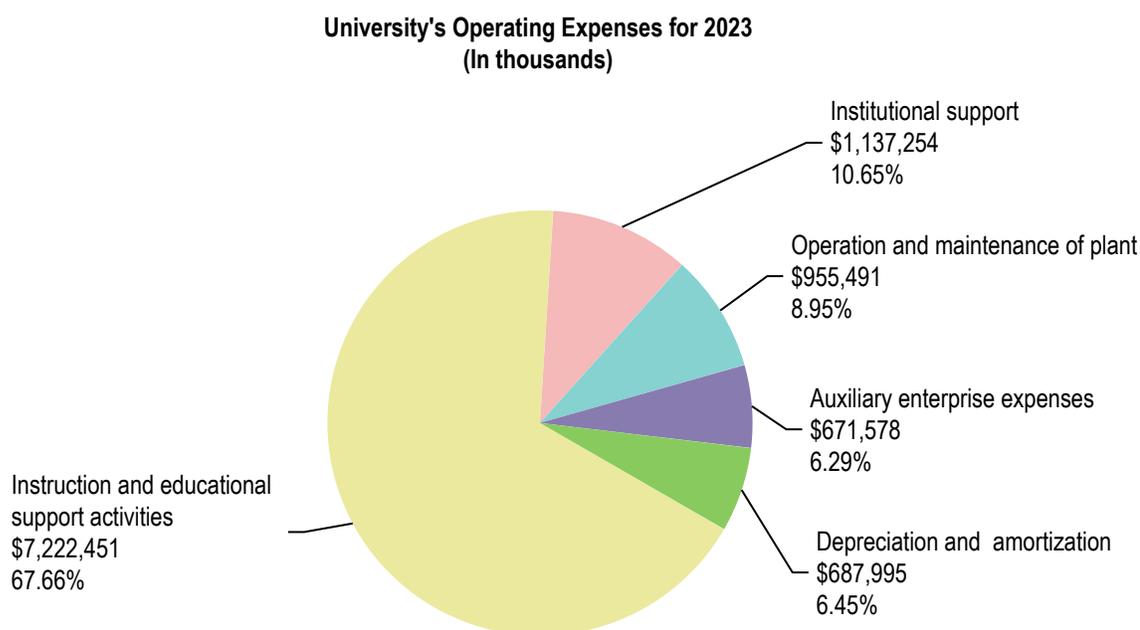
The University's total expenses of \$11.09 billion are comprised of operating expenses of \$10.67 billion, or 96.25%, and nonoperating expenses of \$415.71 million, or 3.75%.

	2023	Percentage of total	2022	Percentage of total
	(In thousands)	%	(In thousands)	%
Instruction	\$ 3,554,481	32.05	3,577,426	32.62
Research	83,389	0.75	63,883	0.58
Public service	60,788	0.55	34,386	0.31
Academic support	942,584	8.50	938,008	8.55
Student services	1,338,054	12.06	1,214,545	11.09
Student grants and scholarships	1,243,155	11.21	1,706,130	15.56
Total instruction and educational support activities	7,222,451	65.12	7,534,378	68.71
Institutional support	1,137,254	10.25	1,236,897	11.28
Operation and maintenance of plant	955,491	8.62	802,469	7.32
Auxiliary enterprise expenses	671,578	6.06	404,401	3.69
Depreciation and amortization	687,995	6.20	616,502	5.62
Total operating expenses	10,674,769	96.25	10,594,647	96.62
Investment loss, net	\$ —	—	\$ —	—
Endowment loss, net	15	—	—	—
Interest expense	321,904	2.90	319,381	2.91
Other nonoperating expenses, net	93,790	0.85	51,624	0.47
Total nonoperating expenses	415,709	3.75	371,005	3.38
Total expenses (operating and nonoperating)	\$ 11,090,478	100.00	10,965,652	100.00

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

Operating Expenses

When the mission-critical educational support activities of student services, academic support, student grants and scholarships, public service, and research are added to direct classroom instruction, the total instruction and educational support activities account for 67.66% and 71.11% of the 2023 and 2022 total operating expenses of the University, respectively.



- *Salaries*

The University's salaries expense increased to \$4.29 billion in 2023 from \$3.96 billion in 2022. Salaries have increased in instruction and educational support by \$174.92 million, institutional support by \$84.79 million, operation and maintenance of plant by \$53.93 million, and auxiliary enterprise expenses by \$18.46 million. The increases in compensation are mainly due to the return to normal operations which showed an increase in FTE and general salary increases.

- *Benefits*

The University's benefits decreased by \$14.00 million to \$2.10 billion in 2023 from \$2.11 billion in 2022.

The pension related benefits expense increased by \$365.35 million in 2023 mainly due to the difference between projected and actual earnings on plan investments during the measurement period. The OPEB expense decreased by \$453.97 million in 2023, due mainly to the net effect of the changes in the assumptions and lower interest cost. All other benefits expense increased by \$74.62 million in 2023.

CALIFORNIA STATE UNIVERSITY
 Management's Discussion and Analysis
 June 30, 2023

- *Supplies and Services*

The University's supplies and other services increased to \$2.35 billion in 2023 from \$2.20 billion in 2022. The increase of \$153.51 million is comprised of \$79.96 million in instruction and educational support activities, \$136.98 million in auxiliary enterprise expenses, \$35.22 million in operation and maintenance of plant, offset with \$98.65 million decrease in institutional support.

- *Scholarships and Fellowships*

The scholarship and fellowships, which represent financial aid directly paid to students, decreased from \$1.71 billion in 2022 to \$1.24 billion in 2023. The decrease is mainly due to the phase out of HEERF grants provided to qualifying students.

Nonoperating Expenses

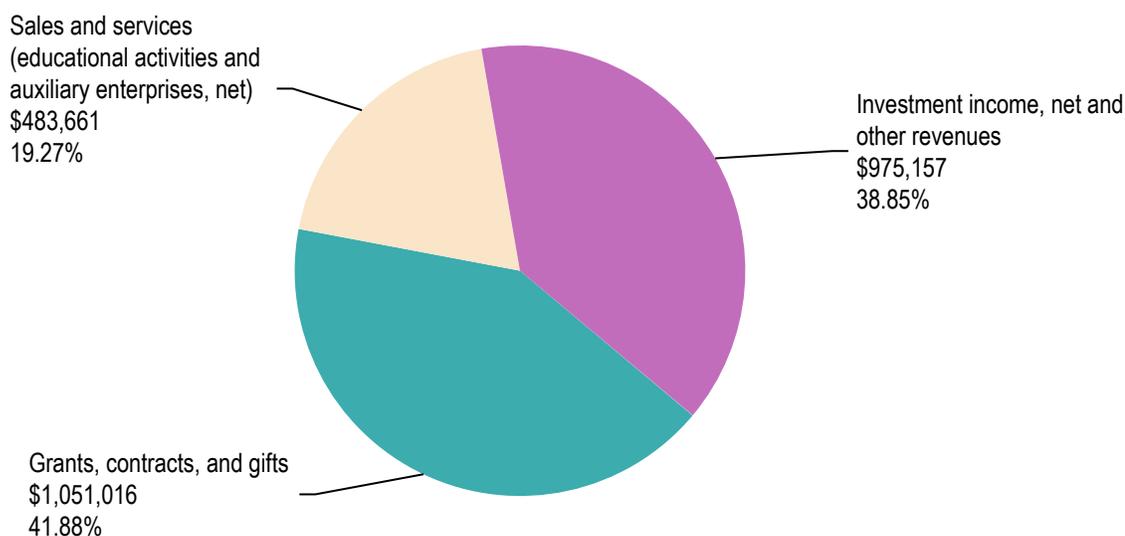
- *Interest Expense*

The University's interest expense increased to \$321.90 million in 2023 from \$319.38 million in 2022. The increase of \$2.52 million is mainly due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Discretely Presented Component Units' Results of Operations

Revenues (Operating and Nonoperating)

Discretely Presented Component Units' Revenues (Operating and Nonoperating) for 2023
 (In thousands)



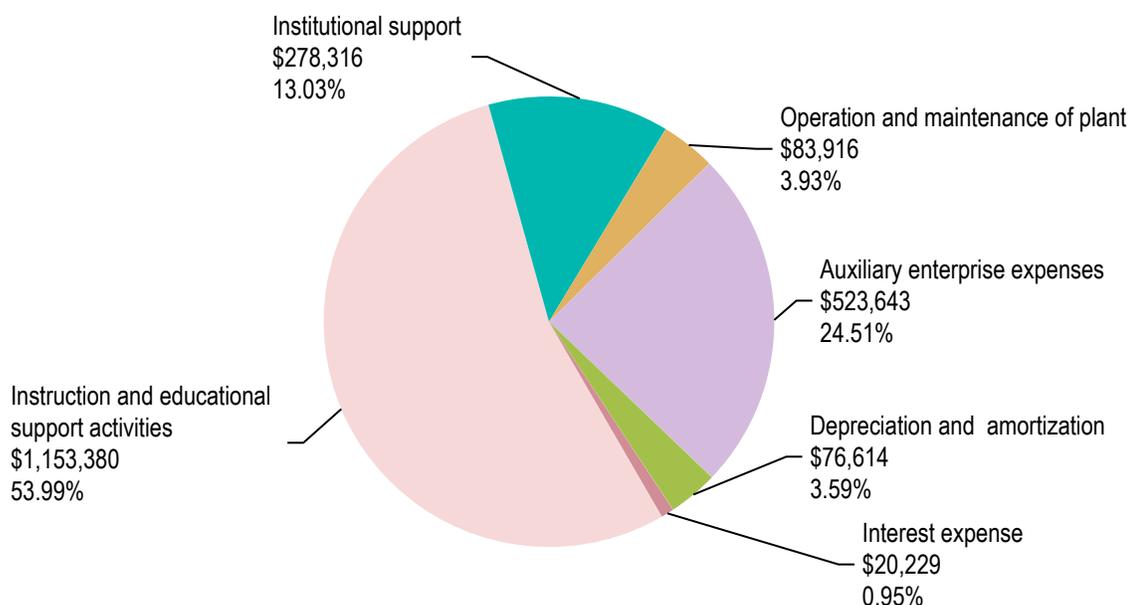
CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

The discretely presented component units generated \$2.51 billion of revenues, representing 16.43% of the University's \$15.27 billion combined total revenues, which is higher compared to the 12.20% in the prior year. The discretely presented component units managed \$1.05 billion grants, contracts, and gifts revenues, representing 27.28% of the University's \$3.85 billion combined total. Discretely presented component units fund many students' co-curricular activities, administer research programs, raise funds, operate student unions, offer recreational programs, coordinate commercial enterprises, and develop public-private partnerships on behalf of the University.

Investment income, net and other revenues increased by \$700.77 million primarily due to favorable market conditions. The sales and services of educational activities and auxiliary enterprise have increased by \$92.63 million reflecting a growing trend as operations and demand return to a more normal state following the COVID-19 pandemic.

Expenses (Operating and Nonoperating)

Discretely Presented Component Units' Expenses (Operating and Nonoperating) for 2023
(In thousands)



The discretely presented component units incurred \$2.12 billion of operating expenses in 2023 from \$1.85 billion in 2022. This represents 16.54% of the University's \$12.79 billion combined total operating expenses which is higher compared to the 14.88% in the prior year. Operating expenses by natural classification of the discretely presented component units is composed of the following: supplies and other services of \$1.13 billion, salaries of \$624.14 million, pension benefits expenses of \$34.01 million, OPEB expense of \$(1.83) million, scholarship and fellowships of \$98.23 million, and depreciation and amortization of \$76.61 million.

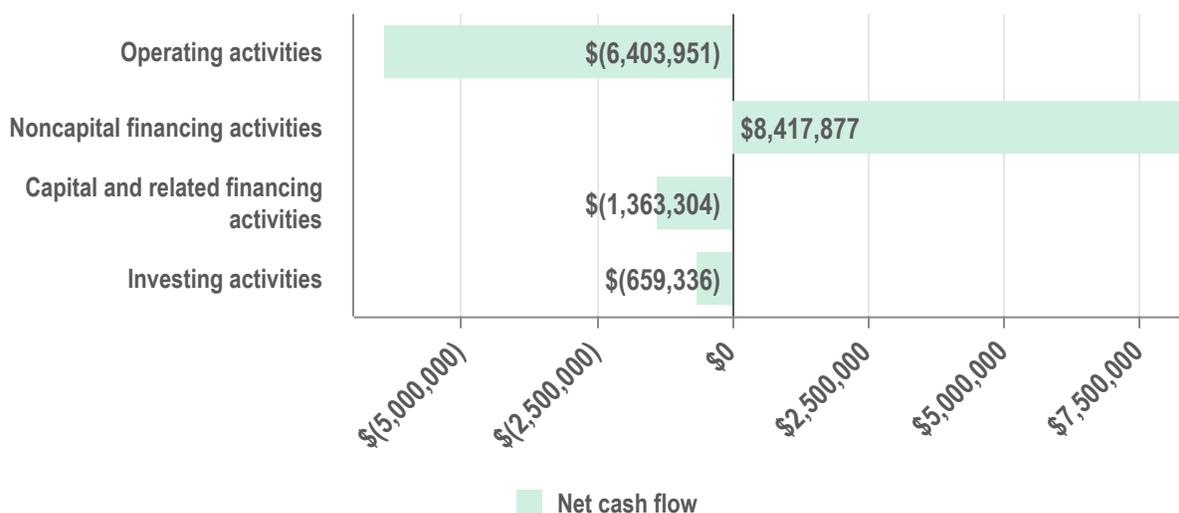
The discretely presented component unit's interest expense of \$20.23 million accounts for 5.91% of the University's combined total interest expense of \$342.13 million. Compared to 2022, the discretely presented component unit's interest expense has decreased by \$2.52 million.

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

Cash Flows

The Statement of Cash Flows presents cash receipts and payments during the fiscal year and assesses the University's ability to generate future net cash flows and meet its obligations as they come due. The University's summarized cash flows activity during the year is as follows:

University's Condensed Statement of Cash Flows for 2023
(In thousands)



The University's routine activities appear in the operating and noncapital financing categories. Cash provided by operating activities includes student tuition and fees and grant and contract revenues. Cash used for operating activities includes payments to suppliers, payments to employees including benefits, and payments to students for scholarships and fellowships. Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. The proceeds from the issuance of Systemwide Revenue Bonds (SRB) that will be passed through to the discretely presented component units for capital purposes are reported as noncapital financing activities.

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

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

CALIFORNIA STATE UNIVERSITY
Management's Discussion and Analysis
June 30, 2023

Factors Impacting Future Periods

Certain information provided by the University may contain forward-looking statements. These statements, addressing future activities, events, or developments, are based on various factors and assumptions. Actual results may differ materially from those projected or suggested in such forward-looking information. The University does not commit to updating this forward-looking information to reflect changes in actual results or assumptions.

In 2024, the University received from the State a permanent base budget increase of \$330.54 million. The University's operating budget for 2024 includes \$4.99 billion in state general fund.

Ongoing challenges include collective bargaining and compensation costs, effects of inflation, heightened energy costs, new commitments, and workload contained in the multi-year compact between the State and the University, and the continued work of narrowing and eliminating equity gaps through Graduation Initiative 2025.

Subsequent Events

The University issued SRB Series 2023A and 2023B in August 2023 which total \$799.36 million. The new bonds were issued to fund various capital projects and redeem maturing BANs. The University also issued various BANS for capital projects totaling \$89.83 million and redeemed BANs totaling \$73.30 million.

BASIC FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 372,829	373,385	746,214
Short-term investments	5,271,094	1,144,138	6,415,232
Accounts receivable, net	317,351	316,339	633,690
Lease receivable, current portion	18,628	26,349	44,977
P3 receivable, current portion	—	201	201
Notes receivable, current portion	16,038	74,517	90,555
Pledge receivable, net	2,000	117,080	119,080
Prepaid expenses and other current assets	85,663	41,420	127,083
Total current assets	6,083,603	2,093,429	8,177,032
Noncurrent assets			
Restricted cash and cash equivalents	—	47,691	47,691
Accounts receivable, net	3,072	21,183	24,255
Lease receivable, net of current portion	204,055	471,863	675,918
P3 receivable, net of current portion	—	3,710	3,710
Notes receivable, net of current portion	438,288	91,143	529,431
Student loans receivable, net	32,526	441	32,967
Pledge receivable, net	—	116,761	116,761
Endowment investments	1,595	2,414,157	2,415,752
Other long-term investments	3,244,047	515,233	3,759,280
Capital assets, net	12,046,134	1,041,436	13,087,570
Other assets	35,566	42,721	78,287
Total noncurrent assets	16,005,283	4,766,339	20,771,622
Total assets	22,088,886	6,859,768	28,948,654
Deferred Outflows of Resources			
Deferred outflows of resources	5,480,742	76,691	5,557,433
Liabilities			
Current liabilities			
Accounts payable	397,546	143,558	541,104
Accrued salaries and benefits	814,964	42,056	857,020
Accrued compensated absences, current portion	144,536	17,670	162,206
Unearned revenues	444,956	166,708	611,664
Lease liabilities, current portion	31,679	24,658	56,337
SBITA liabilities, current portion	32,290	2,028	34,318
Long-term debt obligations, current portion	259,325	92,993	352,318
Claims liability for losses and loss adjustment expenses, current portion	—	22,286	22,286
Depository accounts	4,229	14,885	19,114
Other liabilities	148,879	90,488	239,367
Total current liabilities	2,278,404	617,330	2,895,734

CALIFORNIA STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	<u>University</u>	<u>Discretely presented component units</u>	<u>Total</u>
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 155,859	5,708	161,567
Unearned revenues	30,127	64,095	94,222
Grants refundable	24,784	8,777	33,561
Lease liabilities, net of current portion	271,869	211,171	483,040
SBITA liabilities, net of current portion	29,169	3,176	32,345
Long-term debt obligations, net of current portion	9,175,389	580,789	9,756,178
Claims liability for losses and loss adjustment expenses, net of current portion	—	45,417	45,417
Depository accounts	6	11,458	11,464
Other postemployment benefits liability	13,342,974	80,825	13,423,799
Net pension liability	8,484,855	115,236	8,600,091
Other liabilities	103,736	42,288	146,024
Total noncurrent liabilities	<u>31,618,768</u>	<u>1,168,940</u>	<u>32,787,708</u>
Total liabilities	<u>33,897,172</u>	<u>1,786,270</u>	<u>35,683,442</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>5,962,940</u>	<u>458,730</u>	<u>6,421,670</u>
Net Position			
Net position			
Net investment in capital assets	3,572,960	396,572	3,969,532
Restricted for			
Nonexpendable – endowments	1,595	1,830,118	1,831,713
Expendable			
Scholarships and fellowships	33,655	262,369	296,024
Research	—	29,913	29,913
Loans	26,828	6,153	32,981
Capital projects	35,563	106,263	141,826
Debt service	2,089	6,814	8,903
Others	33,280	1,046,362	1,079,642
Unrestricted	<u>(15,996,454)</u>	<u>1,006,895</u>	<u>(14,989,559)</u>
Total net position	<u>\$ (12,290,484)</u>	<u>4,691,459</u>	<u>(7,599,025)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(in thousands)

	University	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$1,878,241)	\$ 2,319,592	—	—	2,319,592
Grants and contracts, noncapital				
Federal	53,804	456,272	(39)	510,037
State	15,295	169,666	(462)	184,499
Local	1,728	25,854	(46)	27,536
Nongovernmental	11,968	77,699	(527)	89,140
Sales and services of educational activities	60,459	62,446	(61)	122,844
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$164,669)	752,878	421,215	(3,258)	1,170,835
Other operating revenues	306,937	676,546	(10,988)	972,495
Total operating revenues	3,522,661	1,889,698	(15,381)	5,396,978
Expenses				
Operating expenses				
Instruction	3,554,481	138,883	(2,947)	3,690,417
Research	83,389	294,734	(1,571)	376,552
Public service	60,788	243,994	(3,006)	301,776
Academic support	942,584	115,310	(13,716)	1,044,178
Student services	1,338,054	262,228	(14,413)	1,585,869
Institutional support	1,137,254	278,316	(22,812)	1,392,758
Operation and maintenance of plant	955,491	83,916	(28,195)	1,011,212
Student grants and scholarships	1,243,155	98,231	(39,407)	1,301,979
Auxiliary enterprise expenses	671,578	523,643	(8,159)	1,187,062
Depreciation and amortization	687,995	76,614	—	764,609
Total operating expenses	10,674,769	2,115,869	(134,226)	12,656,412
Operating loss	(7,152,108)	(226,171)	118,845	(7,259,434)
Nonoperating revenues (expenses)				
State appropriations, noncapital	6,223,371	—	—	6,223,371
Federal financial aid grants, noncapital	1,082,327	2,061	—	1,084,388
State financial aid grants, noncapital	1,187,779	443	—	1,188,222
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	41,277	48	(24,317)	17,008
Other federal nonoperating grants, noncapital	261,984	—	—	261,984

CALIFORNIA STATE UNIVERSITY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(in thousands)

	University	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), continued				
Gifts, noncapital	\$ 73,477	229,689	(49,982)	253,184
Investment income, net	298,874	94,685	—	393,559
Endowment income (loss), net	(15)	180,901	—	180,886
Interest expense	(321,904)	(20,229)	—	(342,133)
Other nonoperating revenues (expenses)	(93,790)	23,025	4,882	(65,883)
Net nonoperating revenues	8,753,380	510,623	(69,417)	9,194,586
Income before other revenues	1,601,272	284,452	49,428	1,935,152
State appropriations, capital	—	—	—	—
Grants and gifts, capital	71,809	43,192	(49,428)	65,573
Additions to permanent endowments	—	46,092	—	46,092
Increase in net position	1,673,081	373,736	—	2,046,817
Net position				
Net position at beginning of year	(13,963,565)	4,317,723	—	(9,645,842)
Net position at end of year	<u>\$ (12,290,484)</u>	<u>4,691,459</u>	<u>—</u>	<u>(7,599,025)</u>

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	University
Cash flows from operating activities	
Student tuition and fees	\$ 2,382,191
Federal grants and contracts	59,557
State grants and contracts	56,631
Local grants and contracts	2,251
Nongovernmental grants and contracts	11,424
Payments to suppliers	(2,339,004)
Payments to employees	(4,253,025)
Payments for benefits	(2,168,148)
Payments to students	(1,243,561)
Collections of student loans	1,770
Sales and services of educational activities	60,886
Sales and services of auxiliary enterprises	730,176
Other receipts	294,901
	(6,403,951)
Cash flows from noncapital financing activities	
State appropriations	5,765,338
Federal financial aid grants	1,100,554
State financial aid grants	1,219,594
Nongovernmental and other financial aid grants	41,321
Other federal nonoperating grants	299,170
Gifts and grants received for other than capital purposes	74,205
Federal loan program receipts	1,150,884
Federal loan program disbursements	(1,147,177)
Monies received on behalf of others	75,540
Monies disbursed on behalf of others	(75,778)
Principal paid on long-term debt	(28,365)
Interest paid on long-term debt	(16,076)
Issuance of notes receivable	(19,485)
Principal collections on notes receivable	15,235
Interest collections on notes receivable	16,629
Other noncapital financing activities	(53,712)
	8,417,877

CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>University</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ 45,106
State appropriations	2,238
Capital grants and gifts	53,373
Proceeds from sale of capital assets	18,947
Acquisition of capital assets	(888,505)
Principal paid on capital debt and leases	(289,728)
Interest paid on capital debt and leases	(323,455)
Principal collection on leases receivable	14,093
Interest collection on leases receivable	4,627
	<hr/>
Net cash used in capital and related financing activities	(1,363,304)
Cash flows from investing activities	
Proceeds from sales of investments	9,832,667
Purchases of investments	(10,677,078)
Investment income proceeds	185,075
	<hr/>
Net cash used in investing activities	(659,336)
	<hr/>
Net decrease in cash and cash equivalents	(8,714)
Cash and cash equivalents at beginning of year, as restated	381,543
	<hr/>
Cash and cash equivalents at end of year	\$ 372,829
	<hr/> <hr/>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (7,152,108)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation and amortization	687,995
Change in assets and liabilities	
Accounts receivable, net	(15,649)
Student loans receivable, net	(2,715)
Prepaid expenses and other current assets	224
Other assets	528
Deferred outflows of resources	(1,750,296)
Accounts payable	9,096
Accrued salaries and benefits	16,851
Accrued compensated absences	19,029
Unearned revenues	157,919
Other postemployment benefits liability	(2,059,884)
Net pension liability	2,866,173
Other liabilities	(26,382)
Deferred inflows of resources	845,268
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Net cash used in operating activities	\$ (6,403,951)
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CALIFORNIA STATE UNIVERSITY

Statement of Cash Flows

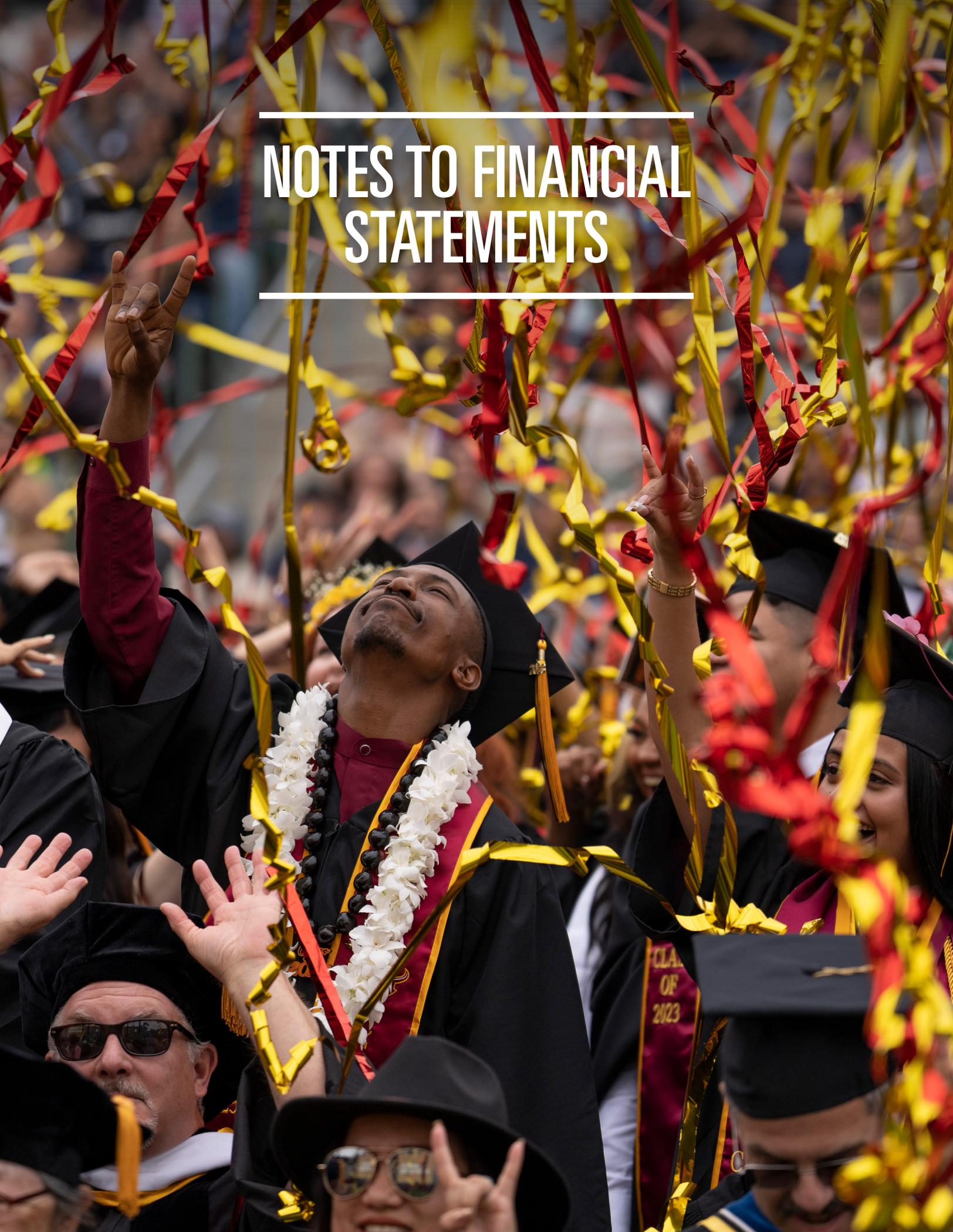
Year ended June 30, 2023

(In thousands)

	<u>University</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 457,949
Change in unrealized gain on investments	83,494
Gifts in kind - noncapital	71,992
BAN proceeds paid directly to escrow agent by bank	37,600
Change in capital assets due to leases	35,642
Amortization of net bond premium	30,958
Change in capital assets due to implementation of GASB Statement No. 96	23,575

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS



CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2023

(In thousands)

(1) Organization

California State University (the University) was established under the State of California Education Code as a public university to offer undergraduate and graduate instruction for professional and occupational goals emphasizing a broad liberal arts education. As an agency of the State of California (the State), the University is also included in the State's financial statements. Responsibility for the University is vested in the Trustees of California State University (the Trustees) who, in turn, appoint the chancellor, who is the chief executive officer of the University, and the University presidents, who are the chief executive officers of the respective campuses. In addition to the Office of the Chancellor, the following 23 campuses comprise the California State University at June 30, 2023:

- California State University, Bakersfield
- California State University Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- California State Polytechnic University, Humboldt
- California State University, Long Beach
- California State University, Los Angeles
- California State University Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San José State University
- California Polytechnic State University, San Luis Obispo
- California State University San Marcos
- Sonoma State University
- California State University, Stanislaus

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2023

(In thousands)

The University provides instruction for baccalaureate, masters', doctorate, and certificate programs, and operates various auxiliary enterprises, such as student housing and parking facilities. In addition, the University administers a variety of financial aid programs that are funded primarily through state and federal programs.

(2) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*, the accompanying financial statements present the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows of the University.

In addition, the accompanying financial statements include the accounts of the 93 discretely presented component units, which are primarily University-related recognized auxiliary organizations. These discretely presented component units are legally separate entities that provide services primarily to the University and its students. Recognized auxiliary organizations include foundations, associated students, student unions, auxiliary services, university corporations, and similar organizations. Foundations, whose net position comprises approximately 80.43% 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 for each of the discretely presented component units may be obtained from the individual campuses.

The discretely presented component units are as follows:

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

CALIFORNIA STATE UNIVERSITY

Notes to Financial Statements

June 30, 2023

(In thousands)

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

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

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

**Name changed from California State University, Dominguez Hills Foundation*

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 would render the financial statements incomplete, primarily due to their close affiliation with the University. These organizations are discretely presented to allow the financial statement users to distinguish between the University and the component units. None of the component units are considered individually significant to the total discretely presented component units. All significant nonexchange transactions between the University and discretely presented component units have been eliminated from the financial statements.

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The accompanying financial statements also include the Stockton Center Site Authority, which is included as a blended component unit. This organization primarily provides services to the University in the areas of asset management. The University is financially accountable for this organization.

(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 (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

(c) New Accounting Pronouncements

During 2022, as part of the implementation of GASB Statement No. 84, *Fiduciary Activities*, the State adopted an allocation methodology in connection to the payroll revolving fund. As a result, participating agencies utilizing the State's payroll process were required to recognize a portion of the payroll revolving fund balances. As a participant, on July 1, 2022, the University increased cash and cash equivalents by \$333,136, increased accounts receivable, net by \$2,488 and increased accrued salaries and benefits of \$335,624 for the allocated share of the State's payroll revolving fund. There was no impact to the University's net position.

On July 1, 2022, the University implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships (P3) and Availability Payment Arrangements (APA)*. The Statement establishes standards of accounting and financial reporting for arrangements between governments and private entities or other governments. The arrangements generally result in the government transferring the obligation to provide certain public services to an external entity. APAs are agreements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this standard did not have a material impact on the financial reporting for the fiscal year ended June 30, 2023.

On July 1, 2022, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The Statement establishes standards of accounting and financial reporting for SBITAs by a government end user who enters into SBITA contracts to use vendor-provided information technology. It applies to SBITA contracts that convey control of the right to use another party's information technology (IT) software, alone, or in combination with tangible underlying IT assets in an exchange or exchange-like transaction for a period exceeding 12 months. Under this Statement, the

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government is required to recognize a subscription liability and an intangible right-to-use (ROU) subscription asset. Cash outlays necessary to place the subscription asset in service can be capitalized during the initial project implementation stage. As a result of the implementation of the Statement, the University recognized a ROU subscription asset of and related liabilities amounting to \$101,887, with the beginning net position restated by \$10,760 on June 30, 2022 for SBITA arrangements.

On July 1, 2022, the University implemented GASB Statement No. 99, *Omnibus 2022*, for provisions related to leases, P3s, and SBITAs. The Statement clarifies guidance on leases, P3s, and SBITAs primarily related to the determination of the contract term, and recognition and measurement of the associated liability and asset. Requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for the fiscal year ending June 30, 2024. The implementation did not have a material impact on the University's financial statements.

(d) Future Accounting Pronouncements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, which will be effective for the fiscal year ending June 30, 2024. This Statement is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. This Statement requires that (1) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (2) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (3) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The University is evaluating the impact GASB Statement No. 100 will have on the financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which will be effective for the fiscal year ending June 30, 2025. This Statement will update the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used, and (2) leave that has been used and not yet paid cash or settled through noncash means. This Statement amends the existing disclosure requirements to allow governments to disclose only the net change in the liability as long as they identify it as a net change. The University is evaluating the impact GASB Statement No. 101 will have on the financial statements.

(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 can reasonably 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).

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

The Statement of Cash Flows does not include the cash flows of the discretely presented component units. Certain discretely presented component units are also participants in the CSU Consolidated Investment Pool. The University considers changes in the CSU Consolidated Investment Pool as cash flows from investing activities 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 (loss), net.

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

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

(h) Accounts Receivable

The University maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable based on types of receivables and expectations of repayment. In establishing the required allowance, management considers one or more of the following: types of receivables, 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 acquisition value (an entry price) at date of donation. Capital assets, including infrastructure and intangible assets, with an original value of five thousand dollars or more and with a useful life of over one year, are capitalized. 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

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assets and is responsible for the maintenance of these assets, and thus has recorded the cost of these assets in the accompanying financial statements. ROU assets are stated at the present value of payments expected to be made during the lease term, less accumulated amortization. Capital assets, with the exception of land and land improvements, works of art and historical treasures, construction work in progress, and certain intangible assets, are depreciated or amortized on a straight-line basis over their estimated useful lives, which ranges from 3 to 45 years. Library books, unless considered rare collections, are capitalized and depreciated over a 10-year period. Periodicals and subscriptions are expensed as purchased. Works of art and historical treasures are valued at cost, if purchased, or the acquisition value 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) Leases

The University determines if an arrangement is a lease at inception of the lease contract. Lessee arrangements are included in capital assets, net and lease liabilities in the Statement of Net Position. Lease assets represent the University's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized on a straight-line basis over the lease term. Lease liabilities represent the University's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Short-term leases with a term of 12 months or less are recognized as expense as the payments are made.

Lessor arrangements are included in lease receivable and deferred inflows of resources in the Statement of Net Position. Lease receivable represent the University's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivable are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term on a straight-line basis. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue on a straight-line basis over the lease term. Short-term leases with a term of 12 months or less are recognized as revenue as the payments are received. Lease revenues are included in other operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position

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(k) Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract in an exchange or exchange-like transaction for a term exceeding 12 months. The University recognizes an ROU subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. ROU subscription assets are amortized on a straight-line basis over the contract term. SBITA liabilities represent the University's obligation to make contract payments arising from the SBITA. Interest expense is recognized ratably over the contract term. The SBITA term may include options to extend or terminate the contract when it is reasonably certain that the University will exercise that option. Short-term SBITAs with a term of 12 months or less are recognized as expense as the payments are made.

(l) Unearned Revenues

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

(m) Compensated Absences

Compensated absences are recognized, as either current or noncurrent liabilities, when the right to receive the compensation is earned by the employees from vested unpaid vacation and other paid leave programs. Unused sick leave balances are not included in the compensated absences because they do not vest to employees. Vacation is accrued on a monthly basis. The University uses the employee's current pay rate as of July 1, 2023, to calculate the liability for accrued compensated absences. The University provides vacation based on length of service and job classifications.

(n) 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 support of these programs at any time and to request that the University return those contributions on a cumulative basis, such as the Federal Perkins Loan Program, which has expired in 2018. Accordingly, the federal contributions received and retained by the University at year-end are considered liabilities of the University and are reflected as such in the accompanying Statement of Net Position.

(o) 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, 2023. 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.

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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.

(p) *Deferred Outflows of Resources and Deferred Inflows of Resources*

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

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

Changes in other postemployment benefits (OPEB) liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Deferred outflows and inflows of resources related to differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average employees' remaining service lives. Employer contributions made subsequent to the measurement date of the OPEB liability are reported as deferred outflows of resources, recognized as reduction in OPEB liability in the following year.

The defeasance of previously outstanding Systemwide Revenue Bond (SRB) debt resulting in losses or gains are recognized as deferred outflows of resources or deferred inflows of resources. These losses or gains are recognized as a component of interest over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Resources received in advance from nonexchange transactions by the University that met all eligibility requirements except for the time requirements are reported as deferred inflows of resources.

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(g) Net Position

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

- Net Investment in Capital Assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources.
- Restricted:
 - Nonexpendable: Net position subject to externally imposed conditions that the University retains in perpetuity. Net position in this category consists of endowments held by the University or its related discretely presented component units.
 - Expendable: Net position subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.
- Unrestricted: All other categories of net position. In addition, unrestricted net position may have legislative or bond indenture requirements associated with their use or may be designated for use by management of the University. These requirements limit the area of operations for which expenditures of net position may be made and require that unrestricted net position be designated to support future operations in these areas. University housing programs are a primary example of operations that have unrestricted net position with designated uses.

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

(r) Classification of Revenues and Expenses

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

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

Student tuition and fees revenue and sales and services of auxiliary enterprises, including revenues from student housing programs, are presented net of scholarships and fellowships applied to student accounts.

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

(s) Other Postemployment Benefits (OPEB) Liability

The University's OPEB liability is an actuarial accrued liability that reflects the present value of future healthcare benefits earned by employees up to June 30, 2022. The University's OPEB liability is determined by discounting the projected benefit for current active employees and retirees based on the discount rate required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for OPEB plans which do not have assets residing in a qualified trust. The University and the State fund their current OPEB expenses on a "pay-as-you-go" basis.

(t) Net Pension Liability

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

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

(u) 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 revenues are recorded as the expenditures are incurred, in amounts equal to the expenditures.

(v) Internal Services Activities

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

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(w) Income Taxes

The University is an agency of the State and is treated as a governmental entity for tax purposes. As such, the University is generally not subject to federal or state income taxes. The component units are either exempt governmental entities or not-for-profit organizations exempt under IRC Section 501(c)(3). However, the University and its component units remain subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded. If there is net income from any unrelated trade or business, such provision, in the opinion of management, is not material to the financial statements taken as a whole.

(x) Eliminations

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

(y) Use of Estimates

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

(z) Risk and Uncertainties

Although the impacts of COVID-19 have lessened, the University remain in a period of uncertainty due to high rates of inflation, increasing labor costs, and supply chain disruptions. Because of these and other uncertainties regarding the stability of the economy, the pandemic may continue to adversely affect operations and financial condition, including, among other things: the University's ability to conduct its operations, the cost of its operations, governmental and non-governmental funding, and financial markets impacting investments valuation and interest rates, and such effects could be consequential to the University.

(3) Cash, Cash Equivalents, and Investments

The University's cash and cash equivalents and investments as of June 30, 2023, are classified in the accompanying Statement of Net Position as follows:

Cash and cash equivalents	\$	372,829
Short-term investments		5,271,094
Endowment investments		1,595
Other long-term investments		3,244,047
Total investments		8,516,736
Total cash and cash equivalents and investments	\$	8,889,565

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(a) Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits held at the State Treasury, commercial banks, and petty cash. Total cash and cash equivalents amounted to \$372,829 at June 30, 2023.

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

(b) Investments

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

(i) Investment Policy

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

The University's investment policy authorizes funds held in local trust accounts under Education Code Sections 89721 and 89724 to be invested in any of the securities authorized by Government Code Section 16430, and Education Code Sections 89724 and 89725, subject to certain limitations.

In general, the University's investment policies for the Liquidity Portfolio (LP) and Intermediate Duration Portfolio (IDP) permit investments in obligations of the Federal and California state governments, certificates of deposit, high-quality domestic corporate fixed-income securities, and certain other investment instruments.

Per the Education and Government Code of the State, permitted investments within the Total Return Portfolio (TRP) include: mutual funds, including equity mutual funds, subject to registration by, and under the regulatory authority of the United States Securities and Exchange Commission (SEC); publicly traded real estate investment trusts registered with the SEC; institutional commingled funds, including commingled trust funds and collective trust funds, offered by investment advisors registered with, and under the regulatory authority of the SEC. Under State law, investment of funds in the TRP is subject to the University meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not exceed 65.00% of eligible investments. TRP investments amounted to \$2,398,324 as of June 30, 2023.

Additional earnings from TRP investments shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

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(ii) *Interest Rate Risk*

Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The University's investment guidelines for the Liquidity Portfolio manage its interest rate risk by limiting an eligible investment to maximum effective maturity and by limiting the average duration of the portfolio. The University's investment guidelines for the IDP manage its interest rate risk by generally maintaining the IDP's effective duration to plus or minus 25.00% of the effective duration of the benchmark for the IDP. There are no restrictions on the duration for the investments in the TRP. The effective maturity date reflects a bond with embedded options such as a call, put, or reset date, and prepayment speed resulting in the maturity of a bond being less than the final maturity date. Duration is a measure of the sensitivity of the price of an investment relative to fluctuations in market interest rates.

Durations of the University's investment portfolio for each investment type, except for SMIF in which weighted average life is used, as of June 30, 2023, are presented in the following table:

Investment type	Fair value	Duration
Money market funds	\$ 49,078	—
Short term investment funds	46,901	—
Certificates of deposit	123,855	0.22399
U.S. agency securities	237,425	1.14254
U.S. Treasury securities	2,156,891	1.39144
Municipal bonds	21,244	7.35345
Corporate bonds	1,633,335	2.43879
Asset-backed securities	24,947	7.15294
Mortgage-backed securities	423,492	5.12448
Commercial paper	315,482	0.03471
Supranational	980	3.36945
Mutual funds		
Fixed income	921,098	5.66063
Equity and real assets	1,477,226	N/A
SMIF	1,084,782	0.71233
Total investments	<u>\$ 8,516,736</u>	

Another way the University manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity over time as necessary to provide cash flow and liquidity needed for operations.

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(iii) Credit Risk

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

The University, except for investments in the TRP, invests in low credit risk securities such as U.S. government securities, securities of federally sponsored agencies, highly rated domestic corporate bonds, prime-rated commercial paper, repurchase and reverse repurchase agreements, banker's acceptance, and negotiable certificates of deposit. Therefore, the credit risk is low and occurrence of default risk is remote.

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

Ratings of the University's investment portfolio for each investment type as of June 30, 2023 are presented in the following table:

Investment type	Fair value	AAA	AA	A	BBB	BB	B	Not rated
Money market funds	\$ 49,078	49,078	—	—	—	—	—	—
Short term investment funds	46,901	—	46,901	—	—	—	—	—
Certificates of deposit	123,855	70,062	—	53,793	—	—	—	—
U.S. agency securities	237,425	19,103	218,322	—	—	—	—	—
U.S. Treasury securities	2,156,891	310,086	1,846,805	—	—	—	—	—
Municipal bonds	21,244	—	18,013	3,231	—	—	—	—
Corporate bonds	1,633,335	17,303	265,956	1,342,581	7,495	—	—	—
Asset-backed securities	24,947	23,945	—	—	1,002	—	—	—
Mortgage-backed securities	423,492	345,577	77,915	—	—	—	—	—
Commercial paper	315,482	44,829	—	270,653	—	—	—	—
Supranational	980	980	—	—	—	—	—	—
Mutual funds								
Fixed income	921,098	117,651	518,102	—	—	71,079	214,266	—
Equity and real assets	1,477,226	—	—	—	—	—	—	1,477,226
SMIF	1,084,782	—	—	—	—	—	—	1,084,782
Total investments	<u>\$ 8,516,736</u>	<u>998,614</u>	<u>2,992,014</u>	<u>1,670,258</u>	<u>8,497</u>	<u>71,079</u>	<u>214,266</u>	<u>2,562,008</u>

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

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

(iv) Concentration Risk

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

As of June 30, 2023, there were no investments (excluding U.S. Treasury securities, mutual funds, and external investment pools) that represented 5.00% or more of the University's investment portfolio.

(v) Risk and Uncertainties

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

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

(vi) Custodial Credit Risk

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

(vii) Fair Value Measurements

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

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determine fair value. The level in the fair value hierarchy with which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset and liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation.

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2023:

Investment type	Fair value	Level 2	NAV	Not required to be leveled
Money market funds	\$ 49,078	—	49,078	—
Short term investment funds	46,901	—	46,901	—
Certificates of deposit	123,855	123,855	—	—
U.S. agency securities	237,425	237,425	—	—
U.S. Treasury securities	2,156,891	2,156,891	—	—
Municipal bonds	21,244	21,244	—	—
Corporate bonds	1,633,335	1,633,335	—	—
Asset-backed securities	24,947	24,947	—	—
Mortgage-backed securities	423,492	423,492	—	—
Commercial paper	315,482	315,482	—	—
Supranational	980	980	—	—
Mutual funds				
Fixed income	921,098	921,098	—	—
Equity and real asset	1,477,226	1,477,226	—	—
SMIF	1,084,782	—	—	1,084,782
Total investments	<u>\$ 8,516,736</u>	<u>7,335,975</u>	<u>95,979</u>	<u>1,084,782</u>

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

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

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University's external investment managers or their custodians. There were no investments classified in Level 1.

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

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

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

(viii) Foreign Currency Risk

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

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

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

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(In thousands)

(ix) Discretely Presented Component Units' Investments

Investments of the discretely presented component units at fair value consisted of the following at June 30, 2023:

Investment type	Current	Noncurrent	Total
Money market funds	\$ 74,229	15,565	89,794
Short term investment funds	1,011	31	1,042
Certificates of deposit	12,104	6,872	18,976
U.S. agency securities	6,349	10,375	16,724
U.S. Treasury securities	179,980	130,640	310,620
Municipal bonds	3,632	7,161	10,793
Corporate bonds	155,044	172,226	327,270
Asset-backed securities	1,810	9,215	11,025
Mortgage-backed securities	13,852	30,694	44,546
Commercial paper	8,262	207	8,469
Supranational	21	1	22
Mutual funds	183,175	1,026,015	1,209,190
Exchange-traded funds	81,258	373,059	454,317
Equity securities	99,099	580,805	679,904
Alternative investments			
Private equity (including limited partnerships)	6,117	192,015	198,132
Hedge funds	8,220	135,288	143,508
Real estate investments (including real estate investment trust)	1,461	50,044	51,505
Commodities	—	22,148	22,148
Other alternative investments	3,497	100,631	104,128
Other external investment pools	—	41,063	41,063
Local Agency Investment Fund (LAIF)	304,134	6,949	311,083
SMIF	1	—	1
Other investments	882	18,386	19,268
Total investments	\$ 1,144,138	2,929,390	4,073,528

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The following table presents investments of the discretely presented component units that are measured at fair value on a recurring basis at June 30, 2023:

Investment type	Fair value	Level 1	Level 2	Level 3	NAV
Money market funds	\$ 89,794	65,813	16,606	—	7,375
Short term investment funds	1,042	—	—	—	1,042
Certificates of deposit	18,976	288	18,688	—	—
U.S. agency securities	16,724	1,936	14,788	—	—
U.S. Treasury securities	310,620	170,968	134,807	—	4845
Municipal bonds	10,793	2,538	8,255	—	—
Corporate bonds	327,270	166,595	158,737	—	1,938
Asset-backed securities	11,025	7,274	3,751	—	—
Mortgage-backed securities	44,546	796	40,843	—	2,907
Commercial paper	8,469	—	8,469	—	—
Supranational	22	—	22	—	—
Mutual funds	1,209,190	1,161,029	12,691	—	35,470
Exchange-traded funds	454,317	447,965	6,352	—	—
Equity securities	679,904	652,949	21,464	1,249	4,242
Alternative investments					
Private equity (including limited partnerships)	198,132	508	1,272	51,725	144,627
Hedge funds	143,508	4,477	18,591	11,178	109,262
Real estate investments (including real estate investment trust)	51,505	315	6,917	21,043	23,230
Commodities	22,148	11,247	—	59	10,842
Other alternative investments	104,128	897	—	—	103,231
Other external investment pools	41,063	—	—	41,063	—
LAIF	311,083	—	—	—	311,083
SMIF	1	—	—	—	1
Other investments	19,268	12,071	165	747	6,285
Total investments	\$ 4,073,528	2,707,666	472,418	127,064	766,380

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

Investments reported by the University of \$74,085 are invested under contractual agreements on behalf of the discretely presented component units of the University.

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(In thousands)

(4) Accounts Receivable

Accounts receivable of the University at June 30, 2023 consisted of the following:

	Current	Noncurrent	Total
State appropriations	\$ 594	55	649
State appropriations – Systemwide Public Works Board (SPWB) lease revenue bond program	—	835	835
Discretely presented component units	86,340	1,825	88,165
Student accounts	154,640	—	154,640
Government grants and contracts	35,248	—	35,248
Others	86,629	357	86,986
	<u>363,451</u>	<u>3,072</u>	<u>366,523</u>
Less allowance for doubtful accounts	(46,100)	—	(46,100)
Total accounts receivable, net	<u>\$ 317,351</u>	<u>3,072</u>	<u>320,423</u>

(5) Lease Receivable

The University leases building and ground space to its discretely presented component units or external parties. The leases expire at various dates through 2083 and provide renewal options ranging from one year to fifteen years. The University recognizes lease receivable and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using implicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University recognized revenues related to lease agreements totaling \$20,535 for the year ended June 30, 2023, reported in other operating revenues in the Statements of Revenues, Expenses and Changes in Net Position.

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Future minimum lease payments to be received under lessor arrangements as of June 30, 2023, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 18,628	4,913	23,541
2025	25,814	4,453	30,267
2026	16,601	3,914	20,515
2027	17,008	3,510	20,518
2028	16,241	3,099	19,340
2029 - 2033	77,969	9,912	87,881
2034 - 2038	31,869	3,567	35,436
2039 - 2043	6,707	1,659	8,366
2044 - 2048	4,726	1,239	5,965
2049 - 2053	1,137	996	2,133
Thereafter	5,983	3,117	9,100
Total	<u>\$ 222,683</u>	<u>40,379</u>	<u>263,062</u>

(6) Notes Receivable

The University has entered into note agreements primarily with certain discretely presented component units to finance its existing and newly constructed facilities. Notes receivable from discretely presented component units amounted to \$451,850. Interest rates range from 0.20% to 6.48%. Note payments are due twice a year, on May 1 and November 1.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 16,038	17,042	33,080
2025	18,426	16,873	35,299
2026	19,242	16,235	35,477
2027	19,690	15,562	35,252
2028	20,218	14,844	35,062
2029 - 2033	103,672	62,615	166,287
2034 - 2038	94,975	43,524	138,499
2039 - 2043	65,245	26,977	92,222
2044 - 2048	59,885	13,021	72,906
2049 - 2053	30,675	3,217	33,892
Thereafter	6,260	57	6,317
Total	<u>\$ 454,326</u>	<u>229,967</u>	<u>684,293</u>

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(In thousands)

(7) Capital Assets

Capital assets activity for the University for the year ended June 30, 2023, consisted of the following:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending balance</u>
Nondepreciable/nonamortizable capital assets					
Land and land improvements	\$ 403,563	3,751	—	12,844	420,158
Works of art and historical treasures	58,119	1,820	(854)	—	59,085
Construction work in progress	1,955,854	732,400	(33,836)	(1,496,415)	1,158,003
Intangible assets	78,513	12,107	(6,158)	(10,623)	73,839
Total nondepreciable/nonamortizable capital assets	<u>2,496,049</u>	<u>750,078</u>	<u>(40,848)</u>	<u>(1,494,194)</u>	<u>1,711,085</u>
Depreciable/amortizable capital assets					
Buildings and building improvements	15,244,723	77,115	(5,114)	1,199,894	16,516,618
Improvements other than buildings	818,444	5,789	(2,161)	97,252	919,324
Infrastructure	1,371,766	8,107	(8,833)	159,717	1,530,757
Personal property					
Equipment	1,002,329	56,581	(48,548)	26,708	1,037,070
Library books and materials	398,901	5,856	(4,118)	—	400,639
Intangible assets	316,851	637	(46,825)	10,623	281,286
Total depreciable/amortizable capital assets	<u>19,153,014</u>	<u>154,085</u>	<u>(115,599)</u>	<u>1,494,194</u>	<u>20,685,694</u>
Total cost	<u>21,649,063</u>	<u>904,163</u>	<u>(156,447)</u>	<u>—</u>	<u>22,396,779</u>
Less accumulated depreciation/amortization					
Buildings and building improvements	(7,499,515)	(472,369)	1,932	—	(7,969,952)
Improvements other than buildings	(622,810)	(30,900)	2,161	—	(651,549)
Infrastructure	(650,531)	(41,060)	8,238	—	(683,353)
Personal property					
Equipment	(796,532)	(58,299)	47,025	—	(807,806)
Library books and materials	(366,294)	(6,356)	4,423	—	(368,227)
Intangible assets	(279,753)	(3,493)	16,594	—	(266,652)
Total accumulated depreciation/amortization	<u>(10,215,435)</u>	<u>(612,477)</u>	<u>80,373</u>	<u>—</u>	<u>(10,747,539)</u>
Total capital assets, net excluding ROU assets	<u>\$ 11,433,628</u>	<u>291,686</u>	<u>(76,074)</u>	<u>—</u>	<u>11,649,240</u>
ROU assets, net					<u>396,894</u>
Total capital assets, net					<u>\$ 12,046,134</u>

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(In thousands)

The University's ROU lease assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	Beginning balance	Additions	Remeasurements	Reductions	Ending balance
Amortizable lease assets					
Land and land improvements	\$ 6,959	122	—	—	7,081
Buildings and building improvements	329,039	14,100	19,248	(1,894)	360,493
Improvements other than buildings	834	9	(36)	—	807
Infrastructure	217	—	—	—	217
Personal property					
Equipment	8,862	2,351	—	(1,139)	10,074
Total amortizable right-to-use lease assets	345,911	16,582	19,212	(3,033)	378,672
Less accumulated amortization					
Land and land improvements	(472)	(524)	—	—	(996)
Buildings and building improvements	(32,573)	(32,317)	392	1,894	(62,604)
Improvements other than buildings	(260)	(265)	—	—	(525)
Infrastructure	(20)	(20)	—	—	(40)
Personal property					
Equipment	(2,377)	(2,730)	—	609	(4,498)
Total accumulated amortization	(35,702)	(35,856)	392	2,503	(68,663)
Total ROU lease assets, net	\$ 310,209	(19,274)	19,604	(530)	310,009

The University's ROU subscription assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	Beginning balance*	Additions	Remeasurements	Reductions	Ending balance
Subscription assets	\$ 101,887	24,684	(24)	—	126,547
Less accumulated amortization	—	(39,662)	—	—	(39,662)
Total ROU subscription assets, net	\$ 101,887	(14,978)	(24)	—	86,885

*Restated to reflect GASB Statement No. 96 implementation

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(In thousands)

Capital assets activity of the discretely presented component units of the University for the year ended June 30, 2023 consisted of the following:

	Beginning balance	Additions	Retirements	Transfers	Ending balance
Nondepreciable/nonamortizable capital assets					
Land and land improvements	\$ 147,088	1,046	(2,640)	—	145,494
Works of art and historical treasures	11,689	934	—	—	12,623
Construction work in progress	81,284	77,174	(19,737)	(22,115)	116,606
Intangible assets	5,098	8	(2,802)	—	2,304
Total nondepreciable/nonamortizable capital assets	245,159	79,162	(25,179)	(22,115)	277,027
Depreciable/amortizable capital assets					
Buildings and building improvements	741,112	42,432	(124,290)	2,648	661,902
Improvements other than buildings	196,173	2,214	(12,391)	13,984	199,980
Infrastructure	8,717	—	—	—	8,717
Personal property					
Equipment	260,304	16,649	(15,978)	5,483	266,458
Intangible assets	6,323	115	(1,101)	—	5,337
Total depreciable/amortizable capital assets	1,212,629	61,410	(153,760)	22,115	1,142,394
Total cost	1,457,788	140,572	(178,939)	—	1,419,421
Less accumulated depreciation/amortization					
Buildings and building improvements	(333,536)	(22,867)	62,512	—	(293,891)
Improvements other than buildings	(104,292)	(9,967)	6,182	—	(108,077)
Infrastructure	(3,195)	(218)	175	—	(3,238)
Personal property					
Equipment	(192,271)	(20,909)	10,216	—	(202,964)
Intangible assets	(5,735)	(205)	1,085	—	(4,855)
Total accumulated depreciation/amortization	(639,029)	(54,166)	80,170	—	(613,025)
Total capital assets, net excluding ROU asset	\$ 818,759	86,406	(98,769)	—	806,396
ROU assets, net					235,040
Total capital assets, net					\$ 1,041,436

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

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(In thousands)

The University's discretely presented component units' ROU lease assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	Beginning balance	Additions	Remeasurements	Reductions	Ending balance
Amortizable lease assets					
Land and land improvements	\$ 29,845	2,426	—	(21,410)	10,861
Buildings and building improvements	124,101	162,180	(15,699)	(2,382)	268,200
Improvements other than buildings	38,373	—	—	—	38,373
Infrastructure	484	—	—	—	484
Personal property					
Equipment	558	4,358	(2)	(121)	4,793
Total amortizable right-to-use lease assets	193,361	168,964	(15,701)	(23,913)	322,711
Less accumulated amortization					
Land and land improvements	(1,856)	(149)	—	1,704	(301)
Buildings and building improvements	(13,862)	(76,947)	752	2,382	(87,675)
Improvements other than buildings	(2,257)	(2,257)	—	—	(4,514)
Infrastructure	(36)	(36)	—	—	(72)
Personal property					
Equipment	(198)	(1,648)	124	120	(1,602)
Total accumulated amortization	(18,209)	(81,037)	876	4,206	(94,164)
Total ROU lease assets, net	\$ 175,152	87,927	(14,825)	(19,707)	228,547

The University's discretely presented component units' ROU subscription assets and related accumulated amortization for the year ended June 30, 2023 are as follows:

	Beginning balance*	Additions	Remeasurements	Reductions	Ending balance
ROU subscription assets	\$ 7,197	1,398	—	—	8,595
Less accumulated amortization	—	(2,102)	—	—	(2,102)
Total ROU subscription assets, net	\$ 7,197	(704)	—	—	6,493

*Restated to reflect GASB Statement No. 96 implementation

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(In thousands)

(8) Lease Liabilities

The University leases land, building space, and equipment for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2098 and provide for renewal options ranging from one year to ten years. In accordance with GASB Statement No. 87, the University records ROU assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the explicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases subject to a residual value guarantee.

Lease liabilities activity of the University for the year ended June 30, 2023 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Lease liabilities	\$ 299,889	16,309	19,333	(31,983)	303,548	31,679

Future minimum lease payments of the University under lessee arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 31,679	8,105	39,784
2025	30,940	7,340	38,280
2026	23,081	6,663	29,744
2027	19,330	6,154	25,484
2028	17,098	5,684	22,782
2029 - 2033	71,035	22,092	93,127
2034 - 2038	53,590	12,978	66,568
2039 - 2043	36,076	5,953	42,029
2044 - 2048	17,218	2,197	19,415
2049 - 2053	3,300	81	3,381
Thereafter	201	888	1,089
Total	\$ 303,548	78,135	381,683

The University's discretely presented component units' lease liabilities activity as of June 30, 2023 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
Lease liabilities	\$ 240,819	53,760	38,562	(97,312)	235,829	24,658

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(In thousands)

Future minimum lease payments of the University's discretely presented component units under lessee arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 24,658	5,919	30,577
2025	28,822	6,821	35,643
2026	20,703	4,835	25,538
2027	20,421	4,284	24,705
2028	17,879	3,764	21,643
2029 - 2033	75,096	11,545	86,641
2034 - 2038	31,991	4,082	36,073
2039 - 2043	3,786	1,920	5,706
2044 - 2048	2,598	1,641	4,239
2049 - 2053	2,436	1,453	3,889
Thereafter	7,439	4,112	11,551
Total	<u>\$ 235,829</u>	<u>50,376</u>	<u>286,205</u>

(9) Subscription-Based Information Technology Arrangements (SBITA) Liabilities

The University enters into subscription-based arrangements which expire at various dates through 2030. In accordance with GASB Statement No. 96, the University recognizes a right-to-use subscription asset and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. Similar to leases, the expected future subscription payments are discounted using the explicit rate or the University's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. SBITA liabilities activity of the University for the year ended June 30, 2023 are as follows:

	<u>Beginning balance*</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
SBITA liabilities	\$ 86,328	23,599	(24)	(48,444)	61,459	32,290

*Restated to reflect GASB Statement No. 96 implementation

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(In thousands)

Future annual subscription payments of the University under subscription-based arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30			
2024	\$ 32,290	2,307	34,597
2025	16,836	1,113	17,949
2026	7,599	468	8,067
2027	1,668	188	1,856
2028	1,137	122	1,259
2029 - 2030	1,929	114	2,043
Total	<u>\$ 61,459</u>	<u>4,312</u>	<u>65,771</u>

The University's discretely presented component units' SBITA liabilities as of June 30, 2023 are as follows:

	<u>Beginning balance*</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Current portion</u>
SBITA liabilities	<u>\$ 6,298</u>	<u>1,336</u>	<u>—</u>	<u>(2,430)</u>	<u>5,204</u>	<u>2,028</u>

*Restated to reflect GASB Statement No. 96 implementation

Future annual subscription payments of the University' discretely presented component units under subscription-based arrangements as of June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 2,028	180	2,208
2025	2,193	104	2,297
2026	477	39	516
2027	244	20	264
2028	173	10	183
2029 - 2032	89	7	96
Total	<u>\$ 5,204</u>	<u>360</u>	<u>5,564</u>

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(In thousands)

(10) Long-Term Debt Obligations

(a) *State's General Obligation (GO) Bond Program*

The GO Bond program of the State has provided capital outlay funds for the three segments of California Higher Education through voter-approved bonds. Each of the approved bond programs provides a pool of available funds, which is allocated on a project-by-project basis among the University, the University of California, and the community colleges. Financing provided to the University through the GO Bonds is not allocated to the University by the State. This debt remains as obligation of the State and is funded by state tax revenues. Accordingly, such debt is not reflected in the accompanying financial statements. The total GO Bonds carried by the State related to the University projects is approximately \$1,715,977 as of June 30, 2023.

(b) *Systemwide Revenue Bond (SRB) Program*

The State University Revenue Bond Act of 1947, Sections 90010 through 90091 of the Education Code of the State of California (the Bond Act) authorizes the Trustee to issue revenue bonds to finance projects that support the University's educational mission. The University's financing program, referred to as the SRB Program, is designed to provide lower cost debt and greater flexibility to finance projects at the University than would be possible if projects were financed separately. Rather than relying on specific pledged revenues to support specific debt obligations, the SRB program pools multiple sources of revenue as the security for the debt. The University's total outstanding balance of revenue bond indebtedness under the SRB program was \$8,556,625 at June 30, 2023. Under the Bond Act authority, the University has constructed or acquired facilities located at its 23 campuses and the Office of the Chancellor.

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

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

The SRB Indenture (the Indenture) contains provisions that define events of default related to punctuality of the payment of the outstanding principal and interest. Additionally, the Indenture describes the process for which other events of default by the Board related to covenants, agreements, or conditions of the Indenture occur for a period of 60 days after written notice by bondholders of not less than 25.00% in aggregate principal amount of the bonds outstanding requiring remediation. Further, the Indenture specifies the process which the Trustees may undertake, at the request of the majority of the bondholders, to declare the principal of all of the bonds then outstanding and the interest accrued to be immediately due and payable.

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(In thousands)

(c) Bond Anticipation Note (BAN)

The Trustees have authorized the issuance of BANs to provide short-term financing to the University for certain projects. The BANs are purchased by CSU Institute with proceeds from the commercial paper issued by the Institute. The BANs are generally issued for periods of up to three years in anticipation of issuing permanent revenue bonds at a future date. State law was amended in 2008 to allow BAN maturities to extend beyond three years and the maturity date for the issuance of BANs to be determined by the Trustees. BAN interest is variable and changes based upon the cost of the CSU Institute's commercial paper program. The maximum and minimum weighted average interest rates for the year ended June 30, 2023 were 5.39% and 1.40%, respectively. The University's BAN totaled \$151,711 at June 30, 2023. The authorized amounts totaled \$429,155, of which \$277,444 has not been issued.

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

(d) State Public Works Board (SPWB) Lease Revenue Bond

The University participates in the State's SPWB lease revenue bond program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California Department of Finance augments the University's operating budget to provide additional funds for the required debt payments. The long-term debt obligation related to SPWB as of June 30, 2023 is \$96,805.

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Notes to Financial Statements

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(In thousands)

Long-term debt obligations of the University as of June 30, 2023 consisted of the following:

Description	Interest rate (%)	Final maturity date	Original issue amount	Amount outstanding
SRB				
Series 2007-B	5.45-5.55	2037/38	\$ 13,165	7,355
Series 2007-C	5.00	2028/29	63,275	12,175
Series 2010-B	5.55-6.48	2041/42	205,145	202,920
Series 2012-B	4.17	2036/37	16,700	12,745
Series 2013-A	3.00-5.00	2023/24	222,340	31,060
Series 2014-A	3.00-5.00	2026/27	106,270	21,860
Series 2015-A	2.25-5.00	2047/48	1,032,920	828,565
Series 2015-B	3.31-4.41	2035/36	29,305	11,510
Series 2016-A	2.50-5.00	2045/46	1,133,105	1,039,810
Series 2016B-1	1.60	2047/48	50,000	50,000
Series 2016B-2	0.55	2049/50	100,000	100,000
Series 2016B-3	4.00	2051/52	100,000	100,000
Series 2017-A	3.00-5.00	2047/48	812,030	721,620
Series 2017-B	2.58-3.90	2047/48	335,155	329,620
Series 2017-C	3.25-5.00	2037/38	49,175	39,255
Series 2018-A	5.00	2050/51	492,690	465,900
Series 2018-B	3.20-4.25	2050/51	171,000	164,250
Series 2019-A	4.00-5.00	2051/52	449,430	433,250
Series 2019-B	2.08-3.59	2051/52	81,335	73,600
Series 2020-A	5.00	2031/32	65,240	39,490
Series 2020-B	1.56-3.07	2051/52	829,425	815,165
Series 2020-C	2.25 - 5.00	2051/52	314,030	314,030
Series 2020-D	0.48 - 2.82	2042/43	528,575	506,330
Series 2020-E	0.48 - 3.27	2060/61	466,010	466,010
Series 2021-A	3.00-5.00	2052/53	124,235	110,030
Series 2021-B	0.35-2.94	2052/53	1,664,085	1,660,075
			<u>\$ 9,454,640</u>	8,556,625
BAN	Various			151,711
SPWB lease revenue bond	Various			96,805
Others	Various			79,121
Total				8,884,262
Unamortized net bond premium				550,452
Total long-term debt obligations				9,434,714
Less current portion				(259,325)
Total long-term debt obligations, net of current portion				<u>\$ 9,175,389</u>

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(In thousands)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2024	\$ 259,325	324,924	584,249
2025	269,209	316,223	585,432
2026	289,899	307,468	597,367
2027	295,701	299,983	595,684
2028	288,983	291,840	580,823
2029 - 2033	1,525,857	1,292,517	2,818,374
2034 - 2038	1,475,576	990,550	2,466,126
2039 - 2043	1,613,524	683,635	2,297,159
2044 - 2048	1,637,570	361,154	1,998,724
2049 - 2053	1,114,718	97,297	1,212,015
Thereafter	113,900	14,269	128,169
Total	<u>\$ 8,884,262</u>	<u>4,979,860</u>	<u>13,864,122</u>

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

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

As of June 30, 2023, the Board had approved SRB and BANs that were authorized but unissued in the aggregate principal amount of \$412,781 for projects including academic, infrastructure, housing, and parking facilities. As of June 30, 2023, there are approximately \$96,805 of remaining authorized and unissued debt for the purpose of refunding certain bonds of the State's State Public Works Board (SPWB) Lease Revenue Bond not previously refunded. The Board may issue all or a portion of these authorized bonds as well as other additional bonds for other new money projects or refunding purposes. The Board expects to authorize the issuance of additional Systemwide Revenue Bonds from time to time in the future. There is no limit on the amount of SRB that the Board may authorize.

The University participated in the SPWB Lease Revenue Bond program since 1986 in connection with the construction of campus facilities and related equipment. As part of the annual budget process, the State of California Department of Finance augments the University's operating budget to provide additional funds for the required debt payments. The long-term debt due to SPWB is to be repaid by fiscal year 2035.

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(In thousands)

(11) Long-Term Liabilities Activity

Long-term liabilities activity of the University for the year ended June 30, 2023 are as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 281,366	188,889	(169,860)	300,395	144,536
Long-term debt obligations (note 10):					
SRB	8,760,030	—	(203,405)	8,556,625	227,620
BAN	115,370	52,689	(16,348)	151,711	20,528
SPWB lease revenue bond	96,805	—	—	96,805	—
Other	96,637	788	(18,304)	79,121	11,177
	9,068,842	53,477	(238,057)	8,884,262	259,325
Unamortized net bond premium	581,410	—	(30,958)	550,452	—
Total long-term debt obligations	9,650,252	53,477	(269,015)	9,434,714	259,325
Total long-term liabilities, excluding lease and SBITA liabilities	<u>\$ 9,931,618</u>	<u>242,366</u>	<u>(438,875)</u>	9,735,109	403,861
Lease liabilities				303,548	31,679
SBITA liabilities				61,459	32,290
Total long-term liabilities				<u>\$ 10,100,116</u>	<u>467,830</u>

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(In thousands)

Long-term liabilities activity of the aggregated discretely presented component units of the University for the year ended June 30, 2023, are as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 23,286	18,979	(18,887)	23,378	17,670
Claims liability for losses and loss adjustment expenses	63,981	34,738	(31,016)	67,703	22,286
Long-term debt obligations					
Revenue bonds	16,715	—	(1,140)	15,575	1,200
Commercial paper, including principal rollovers	115,370	561,514	(487,108)	189,776	73,176
Notes payable	375,418	—	(12,703)	362,715	13,315
Other	84,197	1,742	(13,698)	72,241	5,302
	591,700	563,256	(514,649)	640,307	92,993
Unamortized net bond premium	35,271	—	(1,796)	33,475	—
Total long-term debt obligations	626,971	563,256	(516,445)	673,782	92,993
Total long-term liabilities, excluding lease and SBITA liabilities	\$ 714,238	616,973	(566,348)	764,863	132,949
Lease liabilities				235,829	24,658
SBITA liabilities				5,204	2,028
Total long-term liabilities				\$ 1,005,896	159,635

The University has entered into agreements with certain discretely presented component units to finance existing and newly constructed facilities using proceeds from issuance of SRB and BANs, of which \$362,715 is included in notes payable and \$51,070 in other long-term debt obligations as of June 30, 2023.

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

(12) Pension Plan

(a) Pension Plan Description

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

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(In thousands)

(b) Benefits Provided

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

A full description of the pension plans regarding numbers of employees covered, benefit provision, assumptions, and membership information are listed in the June 30, 2021, Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report.

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

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

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

(c) Pensionable Compensation

For the University, the plan acts as cost sharing multiple-employer defined-benefit pension plan, which provides a defined-benefit pension and postretirement program for substantially all eligible University employees. The University's proportion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The pensionable compensation has a measurement period of July 1, 2021 through June 30, 2022.

(d) Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2022, the average State's active employee contribution rates for State Miscellaneous and Peace Officer and Firefighters Plans are 7.17% and 11.69% of annual payroll, respectively. For the measurement period ended June 30, 2022, the State's contribution rates for State

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(In thousands)

Miscellaneous and Peace Officer and Firefighters Plans are 29.20% and 32.84% of annual payroll, respectively.

State Miscellaneous Plan members of the University are required to contribute 5.00% of their annual earnings in excess of \$513 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered “new members” to CalPERS are required to contribute 50.00% of the normal cost for their category (e.g., State Miscellaneous Plan members contribute 8.00% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

State Peace Officers and Firefighters Plan members of the University are required to contribute 8.00% of their annual earnings in excess of \$238 per month to CalPERS. Effective January 1, 2013, all new University employees that are considered “new members” to CalPERS are required to contribute 50.00% of the normal cost for their category (e.g., State Peace Officers and Firefighters Plan members contribute 13.25% of their annual earnings per month to CalPERS). The University is required to contribute at an actuarially determined rate.

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

	<u>Contributions</u>	
Fiscal year ended June 30:		
2023	\$	1,132,533
2022		963,723
2021		950,935

In 2018, the State made a supplemental pension contribution of \$876,842 to CalPERS on behalf of the University as authorized by Government Code Section 20825. The University shall repay \$156,283 amount contributed through June 30, 2030, while the remainder was recognized as State appropriations, noncapital in 2018. As of June 30, 2023, the outstanding amount to be repaid by the University is \$34,420.

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(In thousands)

(e) Actuarial Methods and Assumptions

The total pension liability was measured as of June 30, 2022 (measurement date), by rolling forward the total pension liability determined by the June 30, 2021 actuarial valuation (valuation date), based on the following actuarial methods and assumptions:

Valuation date	June 30, 2021
Actuarial cost method	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90% net of pension plan investment expenses, but without reduction for administrative expenses, includes inflation
Mortality rate of return	Derived using CalPERS' membership data for all funds
Postretirement benefit increase	The lesser of contract cost of living allowance or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80.00% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(f) Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(g) Investment Rate of Return

The long-term expected rate of return on pension plan investments of 6.90% was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the PERF's asset classes, expected compound (geometric returns) were calculated over the next 20 years using a building-block approach. The

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(In thousands)

expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points. The expected real rates of return by asset class are as follows:

Asset class	Assumed asset allocation	Real return ^{1,2}
	%	%
Global equity - cap weighted	30.00	4.54
Global equity - non-cap weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00</u>	

¹An expected inflation of 2.30% used for this period

²Figures are based on the 2021 Asset Liability Management study

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

The following table presents the University's proportionate share of net pension liability of the State Miscellaneous and Peace Officers and Firefighters Plans (collectively the Plans) as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.90%) or one-percentage point higher (7.90%) than the current rate:

Plan	Discount rate -1%	Current discount rate	Discount rate +1%
Miscellaneous Plan	\$ 11,973,332	8,321,003	5,271,860
Peace Officers and Firefighters Plan	245,727	163,852	96,950
Total net pension liability	<u>\$ 12,219,059</u>	<u>8,484,855</u>	<u>5,368,810</u>

(i) Changes in Net Pension Liability

The University reported a liability of \$8,484,855 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2021 rolled forward to the measurement date. The University's portion of the State's net pension liability was calculated based on its proportionate share of the State's pensionable compensation. The State considered this a practical,

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systematic, and rational approach. At measurement date June 30, 2022, the University's proportionate share of the total State net pension liability for the State Miscellaneous and Peace Officers and Firefighters Plans were 22.0097% and 0.9904%, respectively.

	State Miscellaneous Plan	State Peace Officers and Firefighters Plan	Total
Balance at June 30, 2021 (measurement date)	\$ 5,516,849	101,833	5,618,682
Changes in proportionate share	<u>(610,998)</u>	<u>(10,465)</u>	<u>(621,463)</u>
Balance at June 30, 2021, adjusted	4,905,851	91,368	4,997,219
Changes recognized for the measurement period			
Service cost	536,672	11,567	548,239
Interest on total pension liability	1,926,489	38,269	1,964,758
Changes of assumptions	820,734	21,690	842,424
Recognized difference between expected and actual experience	(245,549)	(7,973)	(253,522)
Plan to plan resource movement	563	(11)	552
Employer contributions	(1,124,757)	(21,508)	(1,146,265)
Employee contributions	(238,104)	(4,728)	(242,832)
Projected earnings on pension plan assets	(1,574,359)	(31,483)	(1,605,842)
Investment earnings greater than projected earnings	3,299,059	66,387	3,365,446
Administrative expenses	14,303	285	14,588
Beginning of year adjustment	<u>101</u>	<u>(11)</u>	<u>90</u>
Net changes	<u>3,415,152</u>	<u>72,484</u>	<u>3,487,636</u>
Balance at June 30, 2022 (measurement date)	<u>\$ 8,321,003</u>	<u>163,852</u>	<u>8,484,855</u>

(j) Pension Plan Fiduciary Net Position

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

CALIFORNIA STATE UNIVERSITY

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(In thousands)

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

The University recognized pension expense of \$836,073 for State Miscellaneous Plan and State Peace Officers and Firefighters Plan, which were reported as benefits expense.

The following table presents deferred outflows and inflows of resources as of June 30, 2023 related to pension.

	Deferred outflows of resources	Deferred inflows of resources
University's retirement contributions subsequent to the measurement date	\$ 1,132,533	—
Net differences between projected and actual earnings on pension plan investments	1,105,846	—
Differences due to changes in assumptions	646,941	—
Differences due to changes in proportionate share	—	478,396
Differences between expected and actual experience	136,962	194,721
Total	<u>\$ 3,022,282</u>	<u>673,117</u>

Deferred outflows of resources recognized for the University's retirement contributions made subsequent to the measurement date of June 30, 2022, will be recognized as a reduction of the net pension liability in the next measurement date.

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

Measurement period ended June 30	Initial differences*	Recognition period (year)	Increase (Decrease) in pension expense arising from the recognition of the differences between projected and actual earnings on pension plan investments (measurement dates)				Total
			2023	2024	2025	2026	
Miscellaneous Plan							
2019	\$ 109,489	5.0	\$ 21,898	—	—	—	21,898
2020	399,608	5.0	79,922	79,922	—	—	159,844
2021	(2,894,392)	5.0	(578,878)	(578,878)	(578,878)	—	(1,736,634)
2022	3,299,059	5.0	659,812	659,812	659,812	659,812	2,639,248
Peace Officers and Firefighters Plan							
2019	(1,942)	5.0	388	—	—	—	388
2020	(7,484)	5.0	1,496	1,496	—	—	2,992
2021	58,331	5.0	(11,666)	(11,666)	(11,666)	—	(34,998)
2022	(66,387)	5.0	13,277	13,277	13,277	13,277	53,108
Decrease in pension expense			<u>\$ 186,249</u>	<u>163,963</u>	<u>82,545</u>	<u>673,089</u>	<u>1,105,846</u>

*Adjusted for any changes in University's proportionate share

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Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of changes in assumptions (measurement dates)				
			2023	2024	2025	2026	Total
Miscellaneous Plan							
2022	\$ 820,734	4.3	\$ 190,868	190,868	190,868	57,261	629,865
Peace Officers and Firefighters Plan							
2022	21,690	4.7	4,615	4,615	4,615	3,231	17,076
Increase in pension expense			<u>\$ 195,483</u>	<u>195,483</u>	<u>195,483</u>	<u>60,492</u>	<u>646,941</u>

* Adjusted for any changes in University's proportionate share

Measurement Period ended June 30	Initial differences*	Recognition period (year)	Increase in pension expense arising from the recognition of the effects of differences between expected and actual experience (measurement date)			
			2023	2024	2025	Total
Miscellaneous Plan						
2019	\$ 447,338	4.1	10,910	—	—	10,910
2020	163,418	4.2	38,909	7,782	—	46,691
2021	138,296	4.3	32,162	32,162	9,649	73,973
Peace Officers and Firefighters Plan						
2019	6,580	5.00	1,316	—	—	1,316
2020	1,705	4.80	355	284	—	639
2021	5,800	4.90	1,184	1,184	1,065	3,433
Increase in pension expense			<u>\$ 84,836</u>	<u>41,412</u>	<u>10,714</u>	<u>136,962</u>

* Adjusted for any changes in University's proportionate share

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(In thousands)

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

Measurement period ended June 30	Initial differences	Recognition period (year)	Decrease (Increase) in pension expense arising from the recognition of the effects of changes in proportionate share (measurement dates)				
			2023	2024	2025	2026	Total
Miscellaneous Plan							
2021	\$ (312,344)	4.3	\$ (72,638)	(72,638)	(21,791)	—	(167,067)
2022	830,870	4.3	193,225	193,225	193,225	57,968	637,643
Peace Officers and Firefighters Plan							
2021	(5,640)	5.1	(1,151)	(1,151)	(1,036)	—	(3,338)
2022	14,172	5.1	3,015	(3,015)	3,015	8,142	11,157
Decrease in pension expense			<u>\$ 122,451</u>	<u>116,421</u>	<u>173,413</u>	<u>66,110</u>	<u>478,395</u>

Measurement period ended June 30	Initial differences*	Recognition period (year)	Decrease in pension expense arising from the recognition of the effects of differences between expected and actual experience (measurement dates)				
			2023	2024	2025	2026	Total
Miscellaneous Plan							
2022	\$ 245,549	4.3	\$ 57,104	57,104	57,104	17,131	188,443
Peace Officers and Firefighters Plan							
2022	7,973	4.7	1,696	1,696	1,696	1,190	6,278
Decrease in pension expense			<u>\$ 58,800</u>	<u>58,800</u>	<u>58,800</u>	<u>18,321</u>	<u>194,721</u>

* Adjusted for any changes in University's proportionate share

(13) Other Postemployment Benefits (OPEB)

(a) OPEB Plan Description

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

CALIFORNIA STATE UNIVERSITY

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(In thousands)

(b) Benefits Provided

For healthcare benefits, CalPERS offers Preferred Provider Organizations (PPOs), Health Maintenance Organizations (HMOs), and Exclusive Provider Organizations (EPOs) (limited to members in certain California counties). For dental benefits, a Dental Maintenance Organization (DMO) and dental indemnity plans are offered to the University's retirees. Health plans offered, covered benefits, monthly rates, and co-payments are determined by the CalPERS Board of Administration, who reviews health plan contracts annually. At measurement date, the count of retired and active employees covered by the benefit terms were:

	Headcount
Retirees elected to receive healthcare benefits	33,792
Active employees	49,766
Total headcount	<u>83,558</u>

(c) Contributions

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

For healthcare benefits, responsibility for funding the cost of the employer share of premiums is apportioned between the State and the University based on "billable" and "nonbillable" accounts. Billable accounts have special revenue sources such as fees, licenses, penalties, assessments, and interest, which offset the costs incurred by a State department during the year. The University reimburses the State for retiree's health benefit costs allocated to billable accounts but not for costs allocated to nonbillable accounts. The University is responsible for funding the costs of the billable accounts on a pay-as-you-go basis as part of the statewide general administrative costs charged to the University. The State is responsible for funding the cost of the employer share of healthcare premiums of retirees for all nonbillable accounts. Historically, the State has funded approximately 95% of the cost of the benefits.

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

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

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(In thousands)

associated with the retiree health costs paid during the past year is also considered to be a contribution from the University.

(d) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are consistent with a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future.

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

Valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal Actuarial Cost Method and the blended discount rates in accordance with the requirements of GASB Statement Nos. 74 and 75.
Actuarial assumptions	
Discount rate	3.69%
Price inflation	2.30%
Wage inflation	2.80%
Healthcare-related	Assumptions were based on healthcare census information, claims experience data and actuarial valuations for the period from July 1, 2014, to June 30, 2018. The actuarial assumptions determined by this study were first used for the actuarial valuations effective as of June 30, 2019.
Healthcare trend	
Pre-Medicare cost trend rate	Select and ultimate trend rates were set at actual increases for 2023, 7.00% in 2024 grading down to 4.50% in 2029, 4.50% from 2030 to 2037, and 4.25% on and after 2038.
Post-Medicare cost trend rate	Select and ultimate trend rates were set at actual increases for 2023, 7.00% in 2024 grading down to 4.50% in 2029, 4.50% from 2030 to 2037, and 4.25% on and after 2038.
Participation	On average approximately 95% of all eligible retirees elect healthcare coverage.
Per capita claim costs	Costs were developed for pre-Medicare and post-Medicare coverage at each respective age and gender, using overall average costs adjusted for morbidity.
Pension-related	Assumptions were based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions and were first adopted beginning with the actuarial valuation as of June 30, 2021. Key assumptions include: salary increase rates, termination rates, disability rates, retirement rates, and mortality rates.
Mortality	Assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. The pre-retirement and postretirement mortality assumptions include generational mortality improvement and the rates are projected using 80% of scale MP-2020 published by the Society of Actuaries.

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(In thousands)

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

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

The following table presents the University's total OPEB liability as of the measurement date, calculated using the healthcare cost trend rate (7.00% decreasing to 4.25%), as well as what the total OPEB liability would be if it were calculated using the healthcare cost trend rate that are one-percentage-point lower (6.00% decreasing to 3.25%) and one-percentage-point higher (8.00% decreasing to 5.25%) than the current healthcare cost trend rate:

	<u>Trend rate -1%</u>	<u>Current trend rate</u>	<u>Trend rate +1%</u>
OPEB liability	\$ 11,484,646	13,342,974	15,701,046

(f) Discount Rate

The discount rate used to estimate the total OPEB liability as of measurement dates June 30, 2022 and 2021 was 3.69% and 1.92%, respectively. The discount rates were based on Fidelity's 20-Year Municipal GO AA Index since the University has no plan assets sufficient to make benefit payments.

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

The following table presents the University's total OPEB liability as of the measurement date, calculated using the discount rate of 3.69%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (2.69%) or one-percentage point higher (4.69%) than the current rate:

	<u>Discount rate -1%</u>	<u>Current discount rate</u>	<u>Discount rate +1%</u>
OPEB liability	\$ 15,434,428	13,342,974	11,640,588

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(h) Changes in Total OPEB Liability

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

Balance at June 30, 2021 (measurement date)	\$	15,434,384
Changes recognized for the measurement period:		
Service cost		763,258
Interest on total OPEB liability		306,867
Recognized changes of assumptions		(3,779,507)
Differences between expected and actual experience (non-investment)		1,049,961
Benefit payments		(431,989)
Net changes		(2,091,410)
Balance at June 30, 2022 (measurement date)	\$	13,342,974

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

The University recognized OPEB expense of \$254,205 which was reported as benefits expense. The following table summarizes the deferred outflows and inflows of resources related to OPEB liabilities.

	Deferred outflows of resources	Deferred inflows of resources
University's contributions subsequent to the measurement date	\$ 461,842	—
Differences due to changes in assumptions	1,000,090	3,638,842
Differences between expected and actual experience (non-investment)	909,005	1,430,728
Total	\$ 2,370,937	5,069,570

The University's contributions subsequent to the measurement date includes \$426,423 contributed by the State on behalf of the University as authorized by Government Code Section 22871. The State's contributions are recognized as State appropriations, noncapital.

The deferred outflows of resources related to the University's contributions made subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of total OPEB liability on the subsequent measurement date, and are not amortized to OPEB expense.

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June 30, 2023

(In thousands)

The deferred outflows of resources to be recognized as OPEB expense are as follows:

Measurement period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expense from changes of assumptions (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2019	\$ 751,688	7.25	\$ 103,631	103,631	103,631	26,271	—	—	—	337,164
2020	585,190	7.30	80,110	80,110	80,110	80,110	24,420	—	—	344,860
2021	437,934	7.31	59,934	59,934	59,934	59,934	59,934	18,396	—	318,066
Increase in OPEB expense			<u>\$ 243,675</u>	<u>243,675</u>	<u>243,675</u>	<u>166,315</u>	<u>84,354</u>	<u>18,396</u>	<u>—</u>	<u>1,000,090</u>

Measurement period ended June 30	Initial difference	Recognition period (year)	Increase in OPEB expense arising from differences between expected and actual experience (non investment) (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2022	\$ 1,049,961	7.45	\$ 140,956	140,956	140,956	140,956	140,956	140,956	63,269	909,005
Increase in OPEB expense			<u>\$ 140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>140,956</u>	<u>63,269</u>	<u>909,005</u>

The deferred inflows of resources to be recognized as OPEB expense are as follows:

Measurement period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expense arising from changes in assumptions (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2017	\$ 1,663,194	6.86	\$ 209,400	—	—	—	—	—	—	209,400
2018	519,714	7.17	72,477	72,477	12,375	—	—	—	—	157,329
2022	3,779,507	7.45	507,394	507,394	507,394	507,394	507,394	507,394	227,749	3,272,113
Decrease in OPEB expense			<u>\$ 789,271</u>	<u>579,871</u>	<u>519,769</u>	<u>507,394</u>	<u>507,394</u>	<u>507,394</u>	<u>227,749</u>	<u>3,638,842</u>

Measurement period ended June 30	Initial difference	Recognition period (year)	Decrease in OPEB expense arising from differences between expected and actual experience (non investment) (measurement dates)							Total
			2023	2024	2025	2026	2027	2028	2029	
2018	\$ 1,111,239	7.17	\$ 154,968	154,968	26,463	—	—	—	—	336,399
2019	94,145	7.25	12,979	12,979	12,979	3,292	—	—	—	42,229
2020	471,337	7.30	64,524	64,524	64,524	64,524	19,669	—	—	277,765
2021	1,066,155	7.31	145,910	145,910	145,910	145,910	145,910	44,785	—	774,335
Decrease in OPEB expense			<u>\$ 378,381</u>	<u>378,381</u>	<u>249,876</u>	<u>213,726</u>	<u>165,579</u>	<u>44,785</u>	<u>—</u>	<u>1,430,728</u>

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June 30, 2023

(In thousands)

(14) Deferred Outflows and Inflows of Resources

The composition of deferred outflows and inflows of resources at June 30, 2023 is summarized as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Related to:		
Net pension liability (note 11)	\$ 3,022,282	673,117
Other postemployment benefits liability (note 12)	2,370,937	5,069,570
Unamortized loss on SRB debt refunding	87,506	—
Leases	—	215,738
Unamortized gain on SRB debt refunding	—	3,666
Nonexchange transactions	—	849
Others	17	—
Total	<u>\$ 5,480,742</u>	<u>5,962,940</u>

(15) Claims Liability for Losses and Loss Adjustment Expenses

The University and certain auxiliary organizations have established the CSURMA, a discretely presented component unit of the University, to centrally manage workers' compensation, general liability, industrial and nonindustrial disability, unemployment insurance coverage, and other risk-related programs. The claims liability included in the discretely presented component unit column reflects the estimated ultimate cost of settling claims related to events that have occurred on or before June 30, 2023. 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, 2023.

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

(16) Commitments and Contingencies

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

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

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June 30, 2023

(In thousands)

Authorized but unexpended costs for construction projects as of June 30, 2023 totaled \$1,170,131. These expenditures will be funded primarily by state appropriations and bond proceeds.

In order to secure access to electricity used for normal operation, the University participates in forward purchase contract of electricity operated by Shell Energy North America. The University's obligations under these special purchase arrangements require it to purchase an estimated total of \$25,067 of electricity at fixed prices through December 2024. The University estimates that the special purchase contract in place represent approximately 20.61% of its total annual electricity expenses.

(17) Classification of Operating Expenses

The University has elected to report operating expenses by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position, and to provide the natural classification of those expenses as an additional disclosure. Operating expenses by natural classification consisted of the following for the year ended June 30, 2023:

	Salaries	Benefits	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	\$ 2,195,509	1,145,514	—	213,458	—	3,554,481
Research	44,325	14,466	—	24,598	—	83,389
Public service	25,758	5,990	—	29,040	—	60,788
Academic support	504,564	215,410	—	222,610	—	942,584
Student services	563,324	271,248	—	503,482	—	1,338,054
Institutional support	548,924	230,117	—	358,213	—	1,137,254
Operation and maintenance of plant	298,427	153,170	—	503,894	—	955,491
Student grants and scholarships	—	—	1,243,155	—	—	1,243,155
Auxiliary enterprise expenses	110,293	64,201	—	497,084	—	671,578
Depreciation and amortization	—	—	—	—	687,995	687,995
Total operating expenses	\$ 4,291,124	2,100,116	1,243,155	2,352,379	687,995	10,674,769

CALIFORNIA STATE UNIVERSITY

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June 30, 2023

(In thousands)

(18) Transactions with Related Entities

The University is an agency of the State and receives approximately 48.76% of total revenues through state appropriations. State appropriations allocated to the University aggregated \$6,223,371 for the year ended June 30, 2023. State appropriations receivable is \$1,484 at June 30, 2023.

State appropriations allocated to the University for the year ended June 30, 2023 are as follows:

State appropriations, general fund	\$	5,765,422
State's contribution on behalf of the University for OPEB		457,949
Total state appropriations	\$	<u>6,223,371</u>

(19) Subsequent Events

The following information describes significant events that occurred subsequent to June 30, 2023, but prior to the date of the auditors' report.

- *SRB Issuance*

In August 2023, the University issued \$799,355 of SRB Series 2023A (Tax Exempt) and 2023B (Taxable). The new bonds were issued to fund various capital projects and redeem maturing BANs.

- *BAN Issuance and Redemption*

The University issued BANs for the following capital projects:

SDSU Aztec Shops, Ltd. The Essential Student Housing Property Acquisition Project	\$	40,426
Cal Poly Corporation – 4800 Morabito Place Acquisition and Renovation Project		22,896
California State University, San Marcos University Village Housing Project		20,805
Cal Poly Humboldt Student Housing Project		5,703
Total BAN issuance	\$	<u>89,830</u>

The University redeemed BANs for the following capital projects:

SDSU Aztec Shops, Ltd. Viva 5750 Apartment Acquisition	\$	38,157
San Diego State Multi-Use Stadium at Mission Valley Project		20,000
SFSU Science Replacement Building - College of Extended Learning (CEL) Addition Project		14,618
SLO Science and Agricultural Teaching and Research Complex Project		528
Total BAN redemption	\$	<u>73,303</u>

REQUIRED SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY

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

June 30, 2023

(In thousands)

Last Ten Fiscal Years¹

	2022 ²	2021 ²	2020 ²	2019 ²	2018 ²	2017 ²	2016 ²	2015 ²	2014 ²
State of California Miscellaneous Plan									
University's proportion of the net pension liability	22.00970%	24.75083	23.79119	23.85065	24.09757	23.87558	22.87662	22.84970	22.72891
University's proportionate share of the net pension liability	\$8,321,003	5,516,848	8,270,213	8,022,235	7,570,176	8,723,068	7,575,326	6,453,200	5,411,439
University's proportionate share of covered payroll	\$3,103,947	3,441,594	3,152,983	3,002,439	2,900,140	2,780,552	2,567,251	2,407,821	2,209,786
University's proportionate share of the net pension liability as a percentage of covered payroll	268.07813%	160.29921	262.29805	267.19061	261.02795	313.71711	295.07539	268.00996	244.88521
Plan fiduciary net position as a percentage of the total pension liability	71.62525%	82.39493	71.51054	71.34328	71.82994	66.41644	66.81100	70.68274	74.17418
State of California Peace Officers and Firefighters Plan									
University's proportion of the net pension liability	0.99039%	1.10385	1.05879	1.14289	1.17223	1.15890	1.15882	1.07094	1.00623
University's proportionate share of the net pension liability	\$ 163,852	101,834	149,100	168,535	163,075	176,894	158,599	124,994	102,216
University's proportionate share of covered payroll	\$ 37,769	43,493	39,417	41,367	41,153	38,632	37,528	33,341	30,160
University's proportionate share of the net pension liability as a percentage of covered payroll	433.82668%	234.13883	378.26319	407.41440	396.26516	457.89066	422.61507	374.89140	338.91247
Plan fiduciary net position as a percentage of the total pension liability	71.99753%	83.34760	73.18576	70.56276	70.53476	65.89199	66.09678	69.61241	72.18915

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

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

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
Schedule of Employer Contributions Related to Pension
Year ended June 30, 2023

(In thousands)

Last Ten Fiscal Years¹

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
State of California Miscellaneous Plan									
Actuarially determined contribution	\$1,074,129	943,908	1,014,772	1,000,772	902,330	836,450	737,766	641,710	588,353
Contributions in relation to the actuarially determined contributions	(1,110,522)	(950,453)	(936,487)	(992,004)	(909,834)	(839,367)	(740,571)	(644,679)	(589,385)
Contribution deficiency (excess)	<u>\$ (36,393)</u>	<u>(6,545)</u>	<u>78,285</u>	<u>8,768</u>	<u>(7,504)</u>	<u>(2,917)</u>	<u>(2,805)</u>	<u>(2,969)</u>	<u>(1,032)</u>
University's covered payroll	\$3,497,651	3,241,442	3,195,126	3,230,694	3,079,834	2,953,043	2,768,770	2,559,878	2,431,410
Contributions as a percentage of covered payroll	31.75051 %	29.32192	29.30986	30.70560	29.54166	28.42380	26.74729	25.18397	24.24046
State of California Peace Officers and Firefighters Plan									
Actuarially determined contribution	\$ 20,824	12,465	19,601	19,512	18,374	17,762	15,858	14,027	11,737
Contributions in relation to the actuarially determined contributions	(22,012)	(13,270)	(14,448)	(19,514)	(19,153)	(18,442)	(16,600)	(14,647)	(13,610)
Contribution deficiency (excess)	<u>\$ (1,188)</u>	<u>(805)</u>	<u>5,153</u>	<u>(2)</u>	<u>(779)</u>	<u>(680)</u>	<u>(742)</u>	<u>(620)</u>	<u>(1,873)</u>
University's covered payroll	\$ 44,108	39,966	40,060	41,342	42,022	41,696	39,372	37,568	33,363
Contributions as a percentage of covered payroll	49.90347 %	33.20322	36.06590	47.20139	45.57851	44.22966	42.16194	38.98797	40.79369

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

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Pension
 Year ended June 30, 2023

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

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.
Methods and assumption used to determine contribution rates	
Actuarial cost method	Entry age normal in accordance with the requirement of GASB Statement No. 68.
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and duration of service
Payroll growth	2.80%
Investment rate of return	6.80%, net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80.00% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
Significant factors affecting contribution rates	For details, see June 30, 2021 Funding Valuation Report.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

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

June 30, 2023

(In thousands)

Last Ten Fiscal Years¹

	2022 ²	2021 ²	2020 ²	2019 ²	2018 ²	2017 ²
University's total other postemployment benefits liability at beginning of the year	\$ 15,434,384	15,323,276	14,498,545	13,128,996	13,918,525	14,683,420
Changes recognized for the measurement period						
Service cost	763,258	768,498	643,745	603,049	680,934	795,696
Interest on total other postemployment benefits liability	306,867	389,155	467,733	490,260	513,512	436,431
Recognized changes of assumptions	(3,779,507)	437,934	585,190	751,688	(519,714)	(1,663,194)
Recognized differences between Expected and Actual Experience (Non-Investment)	1,049,961	(1,066,155)	(471,337)	(94,145)	(1,111,239)	—
Employer contributions	(431,989)	(418,324)	(400,600)	(381,303)	(353,022)	(333,828)
Net changes	\$ (2,091,410)	111,108	824,731	1,369,549	(789,529)	(764,895)
University's total other postemployment benefits liability at end of the year	\$ 13,342,974	15,434,384	15,323,276	14,498,545	13,128,996	13,918,525
University's covered payroll	\$ 3,541,759	3,281,408	3,235,186	3,272,036	3,121,856	2,994,739
University's total other postemployment benefits liability as a percentage of covered payroll	376.73297 %	470.35858	473.64436	443.10469	420.55098	464.76588

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

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

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
 Schedule of Employer Contributions Related to Other Postemployment Benefits
 Year ended June 30, 2023

(In thousands)

Last Ten Fiscal Years¹

	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 858,253	744,383	771,153	786,426	743,648	754,550
Contributions in relation to the actuarially determined contributions	(461,842)	(400,463)	(390,008)	(404,389)	(362,260)	(349,487)
Contribution deficiency	<u>\$ 396,411</u>	<u>343,920</u>	<u>381,145</u>	<u>382,037</u>	<u>381,388</u>	<u>405,063</u>
University's covered payroll	\$ 3,541,759	3,281,408	3,235,186	3,272,036	3,121,856	2,994,739
Contributions as a percentage of covered payroll	13.03990 %	12.20400	12.05520	12.35894	11.60399	11.67003

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

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Schedule of Employer Contributions Related to Other Postemployment Benefits

Year ended June 30, 2023

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

Valuation date	Actuarially calculated contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.
Methods and assumption used to determine actuarially determined contributions	
Actuarial cost method	Actuarial valuation results used for accounting purposes, such as the Total OPEB Liability and Service Cost, were developed using the Entry Age Normal Actuarial Cost Method and the blended discount rates as required by GASB Statements No. 74 and 75. The Normal Cost and Actuarial Accrued Liability for the purpose of calculating the Actuarially Determined Contribution were developed using the Entry Age Normal Actuarial Cost Method and a full-funding discount rate of 6.00 percent.
Inflation	2.30%
Payroll growth	2.80%
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019.
Mortality	Assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. The pre-retirement and postretirement mortality assumptions include generational mortality improvement and the rates are projected using 80% of scale MP-2020 published by the Society of Actuaries.

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

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION



CALIFORNIA STATE UNIVERSITY
Systemwide Revenue Bond Program's Net Income Available for Debt Service
Year ended June 30, 2023
(In thousands)

Gross revenues	
Tuition fees	\$ 3,319,703
Student housing	731,829
Student unions/recreation centers	293,806
Parking	121,762
Health centers	13,000
Professional and continuing education	435,485
Auxiliary organizations ¹	684,579
Other related entity ²	6,216
Total gross revenues	5,606,380
Maintenance and operation expenses ³	
Academic facilities	562,508
Student housing	520,988
Student unions/recreation centers	172,080
Parking	64,817
Health centers	4,701
Professional and continuing education	380,677
Auxiliary organizations ¹	571,171
Total maintenance and operation expenses	2,276,942
Net income available for debt service	\$ 3,329,438
Debt service	
Systemwide revenue bonds debt	511,896
Designated auxiliary organizations debt	2,007
Total debt service	\$ 513,903

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

¹This includes gross revenues and maintenance and operations expenses of 17 auxiliary organizations that have financed with SRB through lease or loan arrangements. This excludes research grants and contracts activity and restricted gifts. Gross revenues under the SRB Indenture are a smaller amount derived from payments under certain leases or with the Board of Trustees.

²This includes gross revenues derived from leases with California State University, Channel Islands Site Authority which are used solely to pay debt service. The maintenance and operations expense are excluded as these are not paid by the pledged gross revenues.

³Maintenance and operation expenses for the year ended June 30, 2023 include extraordinary maintenance and repair projects, which are generally paid from existing program fund balance of \$120 million, other postemployment benefits expense of \$4.5 million pursuant to GASB Statement No. 75, and pension expense of \$30.9 million pursuant to GASB Statement No. 68.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus¹

Year ended June 30, 2023

	Operating and other revenues	Operating expenditures	Excess of revenues over expenditures	Design capacity	Operational capacity ²	Average number of spaces occupied	% of spaces occupied ³
	(In thousands)						
California State University, Bakersfield	\$ 5,222	6,620	(1,398)	500	500	366	73.20%
California State University Channel Islands	17,774	13,525	4,249	1,529	1,526	1,181	77.39%
California State University, Chico	23,201	22,160	1,041	2,239	2,276	1,845	81.06%
California State University, Dominguez Hills	8,581	3,107	5,474	1,198	1,192	848	71.14%
California State University, East Bay	15,458	15,062	396	1,296	1,482	1,014	68.42%
California State University, Fullerton	37,516	20,273	17,244	2,137	2,270	2,208	97.27%
California State Polytechnic University, Humboldt	24,223	19,511	4,712	2,074	2,170	1,932	89.03%
California State University, Long Beach	43,496	33,363	10,133	2,285	2,500	2,443	97.72%
California State University, Los Angeles	25,190	17,351	7,839	2,572	2,459	1,908	77.59%
California State University Maritime Academy	8,174	(524)	8,697	823	823	684	83.11%
California State University, Northridge	26,163	15,313	10,850	3,606	3,164	2,815	88.97%
California State Polytechnic University, Pomona	48,182	35,857	12,326	2,862	2,884	2,683	93.03%
California State University, Sacramento	28,153	23,382	4,772	2,088	2,182	2,134	97.80%
California State University, San Bernardino	11,959	6,318	5,641	1,934	1,477	1,191	80.64%
San Diego State University	134,948	104,118	30,830	6,787	8,288	7,852	94.74%
San Francisco State University ⁵	71,226	58,755	12,471	4,679	4,627	4,034	87.18%
San José State University	63,704	32,242	31,462	3,740	4,261	4,010	94.11%
California Polytechnic State University, San Luis Obispo	94,805	43,425	51,380	7,722	8,683	8,375	96.45%
Sonoma State University ⁶	33,140	18,243	14,897	3,244	3,304	2,130	64.47%
California State University, Stanislaus	5,925	6,016	(91)	460	472	385	81.57%
	<u>727,040</u>	<u>494,117</u>	<u>232,925</u>	<u>53,775</u>	<u>56,540</u>	<u>50,038</u>	<u>88.50%</u>
California State University, Office of the Chancellor (Systemwide Office)	—	—	—				
Interest income	4,788	—	4,788				
Total	<u><u>\$ 731,828</u></u>	<u><u>494,117</u></u>	<u><u>237,713</u></u>				

CALIFORNIA STATE UNIVERSITY

Systemwide Revenue Bond Program's Residence and Dining Halls Operating Data by Campus¹
 Year ended June 30, 2023

Average annual rates per academic year⁴

	Residence Halls			Apartments			Suites		
	Single	Double	Triple	Single	Double	Triple	Single	Double	Triple
California State University, Bakersfield	\$ 12,600	9,000	7,500						
California State University Channel Islands	10,820	9,740		12,670			11,660	11,060	
California State University, Chico	10,428	8,609	7,262	10,428	8,609				
California State University, Dominguez Hills	10,816	9,920	9,094	12,676	9,370				
California State University, East Bay				11,904	10,337	8,105		9,937	7,779
California State University, Fullerton		13,308	11,708	14,178			14,640		
California State Polytechnic University, Humboldt	8,216	5,252	4,938	8,216	6,638	4,938			
California State University, Long Beach	9,850	8,850	7,850	13,900			10,850		
California State University, Los Angeles	13,203	10,198	8,209	14,353	11,086	8,926	12,503		
California State University Maritime Academy		6,342							
California State University, Northridge				12,818	7,534				
California State Polytechnic University, Pomona	11,988	10,461	9,552	13,824	11,406				
California State University, Sacramento	8,352	7,744	5,250	9,840	8,610		9,219	8,306	
California State University, San Bernardino	8,608	6,796		10,352	10,020	8,580			
San Diego State University	15,560	13,528	11,744	12,688	10,576	9,200	12,272	10,232	8,896
San Francisco State University ⁵		10,440		11,205	10,017	10,980			
San José State University	10,800	9,476	7,948	15,127	12,025	10,941	17,982	11,990	10,480
California Polytechnic State University, San Luis Obispo		10,356	9,654	13,395	11,946				
Sonoma State University ⁶	10,976	8,048	5,872	13,140	9,914	6,730			
California State University, Stanislaus	7,895	6,970	5,500	8,409	6,970				
Average annual rates	\$ 10,722	9,169	8,006	12,174	9,671	8,550	12,732	10,305	9,052

¹Does not include housing facilities at the Fresno, Monterey Bay and San Marcos campuses that are operated by Auxiliary Organizations.

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

³Percent (%) of spaces occupied is based on Operational Capacity. The percentages represent the average academic year occupancy.

⁴This section primarily reflects an average of the more traditional rates to students. Each campus has different rates depending on accommodations, such as super doubles, cluster occupancy, etc.

⁵The operational capacity does not include 1,862 apartment units, of which 1,794 units were occupied by students, faculty and staff. The monthly rates for the one-bedroom, two-bedroom or three-bedroom units (not bed-spaces) vary between \$2,485 and \$4,325.

⁶The operational capacity does not include 17 faculty and staff apartment units, of which 11 units were occupied.

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY
Systemwide Revenue Bond Program's Statement of Insurance Coverage
Year ended June 30, 2023

(In thousands)

Expiration date ¹	Insurance Coverage	Coverage Limit	Insurance Company	Policy number
Property Insurance				
July 1, 2023	CSU Master Property Policy, "All Risk" Building, Equipment, Rental Income (excluding earthquake)	\$1,000,000 per occurrence	Alliant Property Insurance Program	Multiple
July 1, 2023	CSU Master Property Policy, Boiler & Machinery	100,000	Alliant Property Insurance Program	Multiple
General Liability Insurance				
July 1, 2023	Bodily Injury & Property Damage Liability (Primary)	10,000	CSU Risk Management Authority (self-insured portion)	CSURMA-LIAB-2223
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	2,000 xs 8,000	SiriusPoint Bermuda Insurance Co. Ltd (Arcadian)	ARGL010162022
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	3,000 xs 5,000	Continental Indemnity (Applied)/Upland	CI21NPX-01046-02 USXPE0146322
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	4,500 xs 500	Great American Insurance Company	1827309
July 1, 2023	Bodily Injury & Property Damage Liability (Reinsurance)	5,000 xs 10,000	Everest Reinsurance Company	FC10044208-2022
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 15,000	Allied World National Assurance Company	0312-4050
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 25,000	Liberty Surplus Insurance Corporation	1000479134-02
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 30,000	Hallmark Specialty Insurance Company	77PEF220182
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 35,000	Gemini Insurance Company	CEX09600368-09
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 45,000	Hamilton Re	CX21-6549
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 50,000	Group Ark Insurance Limited	YLZ22-00302
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 55,000	Howden Insurance Brokers Limited/Arcadian	B0180PN2205698
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	5,000 xs 60,000	Liberty Surplus Insurance Corporation	1000550140 01
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	35,000 xs 65,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	15,000 xs 100,000	Hiscox/Canopus Managing Agents Limited	B0180PN2206854
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	30,000 xs 115,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	30,000 xs 145,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	65,000 xs 175,000	Multiple	Multiple
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	10,000 xs 240,000	Inigo	B0180PN2206856
July 1, 2023	Bodily Injury & Property Damage Liability (Excess)	50,000 xs 250,000	Multiple	Multiple
Workers' Compensation and Employer's Liability Insurance				
July 1, 2023	Workers' Compensation and Employer's Liability	2,500	PRISM	PRISM-PE 22 EWC-143
July 1, 2023	Workers' Compensation and Employer's Liability	in excess of 2,500 up to California Workers' Compensation Statutes	Safety National Casualty Corporation	SP 4067010

¹Additional insurance policies are maintained for the period from July 1, 2023 through July 1, 2024. These policies provide the same coverage indicated above.

See accompanying independent auditors' report.

CAMPUSES' SUPPLEMENTAL INFORMATION



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 263	22,787	23,050
Short-term investments	108,943	—	108,943
Accounts receivable, net	6,613	3,304	9,917
Lease receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	2,795	2,795
Prepaid expenses and other current assets	218	73	291
Total current assets	116,037	28,959	144,996
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	130	—	130
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	989	—	989
Pledge receivable, net	—	2,774	2,774
Endowment investments	—	34,418	34,418
Other long-term investments	107,086	1,542	108,628
Capital assets, net	148,251	1,151	149,402
Other assets	10	1	11
Total noncurrent assets	256,466	39,886	296,352
Total assets	372,503	68,845	441,348
Deferred Outflows of Resources			
Deferred outflows of resources	121,790	—	121,790
Liabilities			
Current liabilities			
Accounts payable	2,844	1,962	4,806
Accrued salaries and benefits	10,449	222	10,671
Accrued compensated absences, current portion	3,106	48	3,154
Unearned revenues	6,461	829	7,290
Lease liabilities, current portion	94	10	104
SBITA liabilities, current portion	524	—	524
Long-term debt obligations, current portion	1,282	—	1,282
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	26	—	26
Other liabilities	1,707	1,064	2,771
Total current liabilities	26,493	4,135	30,628

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 4,197	—	4,197
Unearned revenues	—	—	—
Grants refundable	1,236	—	1,236
Lease liabilities, net of current portion	82	11	93
SBITA liabilities, net of current portion	383	—	383
Long-term debt obligations, net of current portion	45,153	—	45,153
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	278,810	803	279,613
Net pension liability	197,165	—	197,165
Other liabilities	—	—	—
Total noncurrent liabilities	527,026	814	527,840
Total liabilities	553,519	4,949	558,468
Deferred Inflows of Resources			
Deferred inflows of resources	116,236	—	116,236
Net Position			
Net position			
Net investment in capital assets	102,272	1,130	103,402
Restricted for			
Nonexpendable – endowments	—	27,937	27,937
Expendable			
Scholarships and fellowships	288	5,745	6,033
Research	—	—	—
Loans	243	—	243
Capital projects	5,075	—	5,075
Debt service	2	—	2
Others	2,659	19,303	21,962
Unrestricted	(286,001)	9,781	(276,220)
Total net position	\$ (175,462)	63,896	(111,566)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$48,510)	\$ 36,555	—	—	36,555
Grants and contracts, noncapital				
Federal	—	9,312	—	9,312
State	9	951	—	960
Local	—	219	—	219
Nongovernmental	454	587	—	1,041
Sales and services of educational activities	1,653	—	(61)	1,592
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,028)	5,754	—	—	5,754
Other operating revenues	1,519	16,971	(90)	18,400
Total operating revenues	45,944	28,040	(151)	73,833
Expenses				
Operating expenses				
Instruction	76,683	1,858	(206)	78,335
Research	346	3,181	(135)	3,392
Public service	558	1,333	(59)	1,832
Academic support	22,459	1,973	(179)	24,253
Student services	33,693	12,192	(1,830)	44,055
Institutional support	27,505	7,658	(556)	34,607
Operation and maintenance of plant	20,143	—	—	20,143
Student grants and scholarships	39,055	4,341	—	43,396
Auxiliary enterprise expenses	8,600	963	—	9,563
Depreciation and amortization	11,157	216	—	11,373
Total operating expenses	240,199	33,715	(2,965)	270,949
Operating loss	(194,255)	(5,675)	2,814	(197,116)
Nonoperating revenues (expenses)				
State appropriations, noncapital	203,515	—	—	203,515
Federal financial aid grants, noncapital	29,740	—	—	29,740
State financial aid grants, noncapital	31,359	—	—	31,359
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	10,201	—	—	10,201

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 1,751	3,522	(146)	5,127
Investment income, net	2,519	(1)	—	2,518
Endowment income, net	—	2,526	—	2,526
Interest expense	(1,297)	—	—	(1,297)
Other nonoperating revenues	3,904	1,282	(1,551)	3,635
Net nonoperating income	281,692	7,329	(1,697)	287,324
Income before other revenues	87,437	1,654	1,117	90,208
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,201	—	(1,117)	84
Additions to permanent endowments	—	962	—	962
Increase in net position	88,638	2,616	—	91,254
Net position				
Net position at beginning of year	(264,100)	61,280	—	(202,820)
Net position at end of year	\$ (175,462)	63,896	—	(111,566)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 38,475
Federal grants and contracts	4,961
State grants and contracts	11
Local grants and contracts	—
Nongovernmental grants and contracts	430
Payments to suppliers	(38,334)
Payments to employees	(97,752)
Payments for benefits	(50,325)
Payments to students	(39,052)
Collections of student loans	19
Sales and services of educational activities	1,653
Sales and services of auxiliary enterprises	5,569
Other receipts	1,348
Net cash used in operating activities	<u>(172,997)</u>
Cash flows from noncapital financing activities	
State appropriations	193,386
Federal financial aid grants	29,184
State financial aid grants	31,275
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	8,877
Gifts and grants received for other than capital purposes	1,751
Federal loan program receipts	23,956
Federal loan program disbursements	(23,895)
Monies received on behalf of others	781
Monies disbursed on behalf of others	(878)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,670
Net cash provided by noncapital financing activities	<u>269,107</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	22
Proceeds from sale of capital assets	16
Acquisition of capital assets	(12,367)
Principal paid on capital debt and leases	(2,610)
Interest paid on capital debt and leases	(1,443)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(16,382)</u>
Cash flows from investing activities	
Proceeds from sales of investments	318,142
Purchases of investments	(399,440)
Investment income proceeds	1,726
Net cash used in investing activities	<u>(79,572)</u>
Net increase in cash and cash equivalents	156
Cash and cash equivalents at beginning of year, as restated	107
Cash and cash equivalents at end of year	<u>\$ 263</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (194,255)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,157
Change in assets and liabilities	
Accounts receivable, net	3,303
Student loans receivable, net	(7)
Prepaid expenses and other current assets	2
Other assets	—
Deferred outflows of resources	(34,998)
Accounts payable	(619)
Accrued salaries and benefits	(75)
Accrued compensated absences	452
Unearned revenues	4,984
Other postemployment benefits liability	(40,960)
Net pension liability	68,545
Other liabilities	(408)
Deferred inflows of resources	9,882
Net cash used in operating activities:	<u>\$ (172,997)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 10,129
Change in unrealized gain on investments	792
Gifts in kind - noncapital	1,751
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	33
Amortization of net bond premium	243
Change in capital assets due to implementation of GASB Statement No. 96	645

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,265
Payments from discretely presented component units for other than salaries	9,893
Payments to discretely presented component units for services, space, and programs	5,950
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	1,328
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(338)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	101
Payments to the Office of the Chancellor for state pro rata charges	44
Accounts receivable from the Office of the Chancellor	50
Accounts receivable from campuses other than the Office of the Chancellor	17
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,171
Other interagency payments (receipts) for services, space, and programs	114

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 3	8,230	8,233
Short-term investments	145,829	559	146,388
Accounts receivable, net	30,980	5,652	36,632
Lease receivable, current portion	2,192	22	2,214
P3 receivable, current portion	—	—	—
Notes receivable, current portion	2,400	—	2,400
Pledge receivable, net	—	3,764	3,764
Prepaid expenses and other current assets	1,599	106	1,705
Total current assets	183,003	18,333	201,336
Noncurrent assets			
Restricted cash and cash equivalents	—	20,379	20,379
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	33,629	—	33,629
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	48,670	147	48,817
Student loans receivable, net	14	—	14
Pledge receivable, net	—	2,472	2,472
Endowment investments	—	25,904	25,904
Other long-term investments	30,850	53,930	84,780
Capital assets, net	358,191	35,614	393,805
Other assets	9,805	—	9,805
Total noncurrent assets	481,159	138,446	619,605
Total assets	664,162	156,779	820,941
Deferred Outflows of Resources			
Deferred outflows of resources	96,107	5,106	101,213
Liabilities			
Current liabilities			
Accounts payable	10,630	3,412	14,042
Accrued salaries and benefits	2,742	108	2,850
Accrued compensated absences, current portion	2,421	50	2,471
Unearned revenues	29,480	189	29,669
Lease liabilities, current portion	34	2,273	2,307
SBITA liabilities, current portion	282	—	282
Long-term debt obligations, current portion	7,675	2,414	10,089
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	220	220
Other liabilities	3,318	1,621	4,939
Total current liabilities	56,582	10,287	66,869

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 3,631	112	3,743
Unearned revenues	—	1,096	1,096
Grants refundable	—	—	—
Lease liabilities, net of current portion	306	33,869	34,175
SBITA liabilities, net of current portion	220	—	220
Long-term debt obligations, net of current portion	191,264	48,803	240,067
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	193,538	—	193,538
Net pension liability	159,098	—	159,098
Other liabilities	144	—	144
Total noncurrent liabilities	548,201	83,880	632,081
Total liabilities	604,783	94,167	698,950
Deferred Inflows of Resources			
Deferred inflows of resources	123,702	—	123,702
Net Position			
Net position			
Net investment in capital assets	210,926	(528)	210,398
Restricted for			
Nonexpendable – endowments	—	17,630	17,630
Expendable			
Scholarships and fellowships	10	8,304	8,314
Research	—	529	529
Loans	44	3,552	3,596
Capital projects	—	17,884	17,884
Debt service	130	3,330	3,460
Others	2,072	53,455	55,527
Unrestricted	(181,398)	(36,438)	(217,836)
Total net position	\$ 31,784	67,718	99,502

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$26,119)	\$ 21,834	—	—	21,834
Grants and contracts, noncapital				
Federal	4,896	—	—	4,896
State	1,757	—	—	1,757
Local	72	—	—	72
Nongovernmental	494	—	(63)	431
Sales and services of educational activities	214	—	—	214
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,720)	17,824	7,339	—	25,163
Other operating revenues	8,219	11,254	—	19,473
Total operating revenues	55,310	18,593	(63)	73,840
Expenses				
Operating expenses				
Instruction	62,495	1,409	(6)	63,898
Research	3,650	120	(4)	3,766
Public service	395	2,848	—	3,243
Academic support	22,956	415	(48)	23,323
Student services	20,055	1,995	(30)	22,020
Institutional support	22,725	2,198	(72)	24,851
Operation and maintenance of plant	25,351	3,759	—	29,110
Student grants and scholarships	17,325	1,361	—	18,686
Auxiliary enterprise expenses	15,418	6,105	—	21,523
Depreciation and amortization	16,477	2,736	—	19,213
Total operating expenses	206,847	22,946	(160)	229,633
Operating loss	(151,537)	(4,353)	97	(155,793)
Nonoperating revenues (expenses)				
State appropriations, noncapital	110,914	—	—	110,914
Federal financial aid grants, noncapital	14,423	—	—	14,423
State financial aid grants, noncapital	16,865	—	—	16,865
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	9,055	—	—	9,055

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 64	11,627	—	11,691
Investment income, net	5,323	797	—	6,120
Endowment income, net	—	3,084	—	3,084
Interest expense	(6,477)	(2,102)	—	(8,579)
Other nonoperating revenues	8,779	5,582	—	14,361
Net nonoperating income	158,946	18,988	—	177,934
Income before other revenues	7,409	14,635	97	22,141
State appropriations, capital	—	—	—	—
Grants and gifts, capital	97	—	(97)	—
Additions to permanent endowments	—	266	—	266
Increase in net position	7,506	14,901	—	22,407
Net position				
Net position at beginning of year	24,278	52,817	—	77,095
Net position at end of year	\$ 31,784	67,718	—	99,502

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 20,969
Federal grants and contracts	4,319
State grants and contracts	5,713
Local grants and contracts	12
Nongovernmental grants and contracts	17
Payments to suppliers	(40,479)
Payments to employees	(87,389)
Payments for benefits	(39,397)
Payments to students	(17,668)
Collections of student loans	2
Sales and services of educational activities	214
Sales and services of auxiliary enterprises	15,904
Other receipts	9,192
Net cash used in operating activities	<u>(128,591)</u>
Cash flows from noncapital financing activities	
State appropriations	104,382
Federal financial aid grants	14,393
State financial aid grants	16,399
Nongovernmental and other financial aid grants	43
Other federal nonoperating grants	9,624
Gifts and grants received for other than capital purposes	63
Federal loan program receipts	16,527
Federal loan program disbursements	(15,680)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Principal paid on long-term debt	(3,690)
Interest paid on long-term debt	(211)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	2,290
Interest collections on notes receivable	1,036
Other noncapital financing activities	8,540
Net cash provided by noncapital financing activities	<u>153,716</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	1,051
Acquisition of capital assets	(12,514)
Principal paid on capital debt and leases	(3,632)
Interest paid on capital debt and leases	(6,922)
Principal collection on leases receivable	2,140
Interest collection on leases receivable	35
Net cash used in capital and related financing activities	<u>(19,842)</u>
Cash flows from investing activities	
Proceeds from sales of investments	263,352
Purchases of investments	(270,146)
Investment income proceeds	1,511
Net cash used in investing activities	<u>(5,283)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	3
Cash and cash equivalents at end of year	<u>\$ 3</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (151,537)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,477
Change in assets and liabilities	
Accounts receivable, net	(23,540)
Student loans receivable, net	2
Prepaid expenses and other current assets	(144)
Other assets	(1,017)
Deferred outflows of resources	(34,663)
Accounts payable	3,207
Accrued salaries and benefits	1,483
Accrued compensated absences	729
Unearned revenues	25,821
Other postemployment benefits liability	(25,089)
Net pension liability	53,728
Other liabilities	(348)
Deferred inflows of resources	6,300
Net cash used in operating activities	<u>\$ (128,591)</u>

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 6,532
Change in unrealized gain on investments	2,736
Gifts in kind - noncapital	63
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	797
Change in capital assets due to implementation of GASB Statement No. 96	208

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 1,582
Payments from discretely presented component units for other than salaries	7,127
Payments to discretely presented component units for services, space, and programs	8,014
Gifts in kind from discretely presented component units	63
Gifts (cash or assets) from discretely presented component units	803
Accounts receivable from discretely presented component units	2,365
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(3,797)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	241
Payments to the Office of the Chancellor for state pro rata charges	36
Accounts receivable from the Office of the Chancellor	1,564
Accounts receivable from campuses other than the Office of the Chancellor	15
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	975
Other interagency payments (receipts) for services, space, and programs	(60)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 8	6,835	6,843
Short-term investments	142,069	52,089	194,158
Accounts receivable, net	9,455	20,808	30,263
Lease receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Pledge receivable, net	—	2,494	2,494
Prepaid expenses and other current assets	1,868	800	2,668
Total current assets	153,400	83,026	236,426
Noncurrent assets			
Restricted cash and cash equivalents	—	677	677
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	678	—	678
Pledge receivable, net	—	2,771	2,771
Endowment investments	—	85,560	85,560
Other long-term investments	75,214	16,278	91,492
Capital assets, net	361,529	14,579	376,108
Other assets	39	948	987
Total noncurrent assets	437,460	120,813	558,273
Total assets	590,860	203,839	794,699
Deferred Outflows of Resources			
Deferred outflows of resources	215,685	601	216,286
Liabilities			
Current liabilities			
Accounts payable	9,819	6,422	16,241
Accrued salaries and benefits	15,673	3,012	18,685
Accrued compensated absences, current portion	5,039	1,094	6,133
Unearned revenues	5,798	4,884	10,682
Lease liabilities, current portion	222	15	237
SBITA liabilities, current portion	1,118	—	1,118
Long-term debt obligations, current portion	5,730	165	5,895
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	1,041	577	1,618
Total current liabilities	44,440	16,169	60,609

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 3,787	386	4,173
Unearned revenues	4,968	136	5,104
Grants refundable	2,194	—	2,194
Lease liabilities, net of current portion	29	17	46
SBITA liabilities, net of current portion	1,316	—	1,316
Long-term debt obligations, net of current portion	111,721	1,665	113,386
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	593,230	984	594,214
Net pension liability	296,722	1,002	297,724
Other liabilities	—	3,904	3,904
Total noncurrent liabilities	1,013,967	8,094	1,022,061
Total liabilities	1,058,407	24,263	1,082,670
Deferred Inflows of Resources			
Deferred inflows of resources	251,346	966	252,312
Net Position			
Net position			
Net investment in capital assets	249,599	9,517	259,116
Restricted for			
Nonexpendable – endowments	—	79,812	79,812
Expendable			
Scholarships and fellowships	144	2,417	2,561
Research	—	4,474	4,474
Loans	644	—	644
Capital projects	247	5,369	5,616
Debt service	5	—	5
Others	247	31,225	31,472
Unrestricted	(754,094)	46,397	(707,697)
Total net position	\$ (503,208)	179,211	(323,997)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$53,138)	\$ 70,263	—	—	70,263
Grants and contracts, noncapital				
Federal	316	36,312	—	36,628
State	467	10,480	(95)	10,852
Local	—	1,762	—	1,762
Nongovernmental	—	2,873	—	2,873
Sales and services of educational activities	158	3,502	—	3,660
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$4,080)	20,537	12,815	—	33,352
Other operating revenues	8,003	11,561	—	19,564
Total operating revenues	99,744	79,305	(95)	178,954
Expenses				
Operating expenses				
Instruction	115,424	3,519	(16)	118,927
Research	966	4,251	(123)	5,094
Public service	1,129	30,244	(30)	31,343
Academic support	38,985	4,908	(807)	43,086
Student services	44,338	9,370	(433)	53,275
Institutional support	39,369	12,023	(1,031)	50,361
Operation and maintenance of plant	37,016	5,679	(113)	42,582
Student grants and scholarships	38,439	6,707	(3,284)	41,862
Auxiliary enterprise expenses	23,706	11,549	—	35,255
Depreciation and amortization	20,767	1,889	—	22,656
Total operating expenses	360,139	90,139	(5,837)	444,441
Operating loss	(260,395)	(10,834)	5,742	(265,487)
Nonoperating revenues (expenses)				
State appropriations, noncapital	201,991	—	—	201,991
Federal financial aid grants, noncapital	30,470	—	—	30,470
State financial aid grants, noncapital	31,767	—	—	31,767
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	5,517	—	(3,422)	2,095
Other federal nonoperating grants, noncapital	8,811	—	—	8,811

CALIFORNIA STATE UNIVERSITY, CHICO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), continued				
Gifts, noncapital	\$ 1,697	4,734	(1,697)	4,734
Investment income, net	5,805	3,957	—	9,762
Endowment income, net	—	7,101	—	7,101
Interest expense	(4,449)	(38)	—	(4,487)
Other nonoperating revenues	24,712	461	—	25,173
Net nonoperating income	306,321	16,215	(5,119)	317,417
Income before other revenues	45,926	5,381	623	51,930
State appropriations, capital	—	—	—	—
Grants and gifts, capital	649	844	(623)	870
Additions to permanent endowments	—	2,328	—	2,328
Increase in net position	46,575	8,553	—	55,128
Net position				
Net position at beginning of year	(549,783)	170,658	—	(379,125)
Net position at end of year	\$ (503,208)	179,211	—	(323,997)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 70,323
Federal grants and contracts	316
State grants and contracts	313
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(83,699)
Payments to employees	(141,498)
Payments for benefits	(76,648)
Payments to students	(38,615)
Collections of student loans	206
Sales and services of educational activities	158
Sales and services of auxiliary enterprises	19,771
Other receipts	8,807
Net cash used in operating activities	<u>(240,566)</u>
Cash flows from noncapital financing activities	
State appropriations	181,644
Federal financial aid grants	30,470
State financial aid grants	37,074
Nongovernmental and other financial aid grants	5,517
Other federal nonoperating grants	9,878
Gifts and grants received for other than capital purposes	1,697
Federal loan program receipts	35,095
Federal loan program disbursements	(35,085)
Monies received on behalf of others	3,325
Monies disbursed on behalf of others	(3,325)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	22,365
Net cash provided by noncapital financing activities	<u>288,655</u>

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	822
Proceeds from sale of capital assets	9
Acquisition of capital assets	(25,200)
Principal paid on capital debt and leases	(7,832)
Interest paid on capital debt and leases	(4,738)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(36,939)</u>
Cash flows from investing activities	
Proceeds from sales of investments	486,763
Purchases of investments	(500,486)
Investment income proceeds	2,573
Net cash used in investing activities	<u>(11,150)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	8
Cash and cash equivalents at end of year	<u>\$ 8</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (260,395)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	20,767
Change in assets and liabilities	
Accounts receivable, net	49
Student loans receivable, net	(48)
Prepaid expenses and other current assets	1,218
Other assets	222
Deferred outflows of resources	(71,214)
Accounts payable	(4,881)
Accrued salaries and benefits	585
Accrued compensated absences	576
Unearned revenues	874
Other postemployment benefits liability	(85,953)
Net pension liability	100,745
Other liabilities	(712)
Deferred inflows of resources	57,601
Net cash used in operating activities	<u>\$ (240,566)</u>

CALIFORNIA STATE UNIVERSITY, CHICO

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 20,347
Change in unrealized gain on investments	3,228
Gifts in kind - noncapital	212
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	808
Change in capital assets due to implementation of GASB Statement No. 96	945

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, CHICO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,402
Payments from discretely presented component units for other than salaries	7,239
Payments to discretely presented component units for services, space, and programs	18,240
Gifts in kind from discretely presented component units	344
Gifts (cash or assets) from discretely presented component units	1,977
Accounts receivable from discretely presented component units	1,255
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,235)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,277
Payments to the Office of the Chancellor for state pro rata charges	35
Accounts receivable from the Office of the Chancellor	3,754
Accounts receivable from campuses other than the Office of the Chancellor	19
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,987
Other interagency payments (receipts) for services, space, and programs	513

See accompanying independent auditors' report.



**NATION'S
LARGEST**
four-year public
university system



CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 4	18,840	18,844
Short-term investments	127,279	6,027	133,306
Accounts receivable, net	11,099	10,829	21,928
Lease receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	261	261
Pledge receivable, net	—	2,192	2,192
Prepaid expenses and other current assets	607	166	773
Total current assets	138,989	38,315	177,304
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	283	283
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	1,061	1,061
Student loans receivable, net	509	—	509
Pledge receivable, net	—	277	277
Endowment investments	—	22,314	22,314
Other long-term investments	58,697	5,747	64,444
Capital assets, net	354,136	1,420	355,556
Other assets	26	27	53
Total noncurrent assets	413,368	31,129	444,497
Total assets	552,357	69,444	621,801
Deferred Outflows of Resources			
Deferred outflows of resources	161,689	1,524	163,213
Liabilities			
Current liabilities			
Accounts payable	12,562	3,528	16,090
Accrued salaries and benefits	13,240	555	13,795
Accrued compensated absences, current portion	4,094	520	4,614
Unearned revenues	13,313	6,010	19,323
Lease liabilities, current portion	210	—	210
SBITA liabilities, current portion	959	—	959
Long-term debt obligations, current portion	2,082	158	2,240
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	755	—	755
Other liabilities	4,296	493	4,789
Total current liabilities	51,511	11,264	62,775

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 6,851	25	6,876
Unearned revenues	—	—	—
Grants refundable	240	—	240
Lease liabilities, net of current portion	89	—	89
SBITA liabilities, net of current portion	702	—	702
Long-term debt obligations, net of current portion	67,136	1,165	68,301
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	369,352	1,588	370,940
Net pension liability	262,817	757	263,574
Other liabilities	18,580	—	18,580
Total noncurrent liabilities	725,767	3,535	729,302
Total liabilities	777,278	14,799	792,077
Deferred Inflows of Resources			
Deferred inflows of resources	154,852	1,379	156,231
Net Position			
Net position			
Net investment in capital assets	283,729	1,420	285,149
Restricted for			
Nonexpendable – endowments	—	24,210	24,210
Expendable			
Scholarships and fellowships	468	2,338	2,806
Research	—	—	—
Loans	493	—	493
Capital projects	1,065	—	1,065
Debt service	3	—	3
Others	161	8,629	8,790
Unrestricted	(504,003)	18,193	(485,810)
Total net position	\$ (218,084)	54,790	(163,294)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023
(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$70,606)	\$ 52,369	—	—	52,369
Grants and contracts, noncapital				
Federal	239	17,136	—	17,375
State	—	1,829	—	1,829
Local	—	—	—	—
Nongovernmental	—	2,277	—	2,277
Sales and services of educational activities	322	—	—	322
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$3,017)	9,230	2,270	—	11,500
Other operating revenues	9,805	12,068	—	21,873
Total operating revenues	<u>71,965</u>	<u>35,580</u>	<u>—</u>	<u>107,545</u>
Expenses				
Operating expenses				
Instruction	108,972	4,355	—	113,327
Research	103	5,434	—	5,537
Public service	3,194	—	—	3,194
Academic support	29,410	8,916	—	38,326
Student services	41,105	5,953	(464)	46,594
Institutional support	39,810	908	—	40,718
Operation and maintenance of plant	29,947	—	—	29,947
Student grants and scholarships	53,995	1,128	(935)	54,188
Auxiliary enterprise expenses	4,530	9,807	(5)	14,332
Depreciation and amortization	19,495	348	—	19,843
Total operating expenses	<u>330,561</u>	<u>36,849</u>	<u>(1,404)</u>	<u>366,006</u>
Operating loss	<u>(258,596)</u>	<u>(1,269)</u>	<u>1,404</u>	<u>(258,461)</u>
Nonoperating revenues (expenses)				
State appropriations, noncapital	158,247	—	—	158,247
Federal financial aid grants, noncapital	47,154	—	—	47,154
State financial aid grants, noncapital	46,261	—	—	46,261
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	10,418	—	—	10,418

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023
(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 1,398	5,885	(1,398)	5,885
Investment income, net	4,490	1,116	—	5,606
Endowment income, net	—	1,442	—	1,442
Interest expense	(2,382)	(4)	—	(2,386)
Other nonoperating revenues (expenses)	(13,873)	1,110	—	(12,763)
Net nonoperating income	251,713	9,549	(1,398)	259,864
Income (loss) before other revenues	(6,883)	8,280	6	1,403
State appropriations, capital	—	—	—	—
Grants and gifts, capital	5	—	(6)	(1)
Additions to permanent endowments	—	1,136	—	1,136
Increase (decrease) in net position	(6,878)	9,416	—	2,538
Net position				
Net position at beginning of year	(211,206)	45,374	—	(165,832)
Net position at end of year	\$ (218,084)	54,790	—	(163,294)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 56,688
Federal grants and contracts	239
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(51,794)
Payments to employees	(136,724)
Payments for benefits	(66,895)
Payments to students	(54,051)
Collections of student loans	15
Sales and services of educational activities	322
Sales and services of auxiliary enterprises	8,829
Other receipts	11,419
Net cash used in operating activities	<u>(231,952)</u>
Cash flows from noncapital financing activities	
State appropriations	145,168
Federal financial aid grants	62,980
State financial aid grants	45,775
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	10,061
Gifts and grants received for other than capital purposes	1,398
Federal loan program receipts	34,638
Federal loan program disbursements	(34,743)
Monies received on behalf of others	2,531
Monies disbursed on behalf of others	(2,725)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	4,125
Net cash provided by noncapital financing activities	<u>269,208</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	269
Acquisition of capital assets	(10,479)
Principal paid on capital debt and leases	(3,686)
Interest paid on capital debt and leases	(2,672)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(16,568)</u>
Cash flows from investing activities	
Proceeds from sales of investments	436,345
Purchases of investments	(459,142)
Investment income proceeds	2,109
Net cash used in investing activities	<u>(20,688)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	4
Cash and cash equivalents at end of year	<u>\$ 4</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (258,596)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	19,495
Change in assets and liabilities	
Accounts receivable, net	2,259
Student loans receivable, net	(46)
Prepaid expenses and other current assets	(19)
Other assets	—
Deferred outflows of resources	(44,376)
Accounts payable	1,701
Accrued salaries and benefits	(95)
Accrued compensated absences	1,232
Unearned revenues	3,971
Other postemployment benefits liability	(58,423)
Net pension liability	89,414
Other liabilities	(583)
Deferred inflows of resources	12,114
Net cash used in operating activities	<u>\$ (231,952)</u>

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 13,079
Change in unrealized gain on investments	2,378
Gifts in kind - noncapital	1,398
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	369
Change in capital assets due to implementation of GASB Statement No. 96	1,170

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,530
Payments from discretely presented component units for other than salaries	6,512
Payments to discretely presented component units for services, space, and programs	9,640
Gifts in kind from discretely presented component units	4
Gifts (cash or assets) from discretely presented component units	7
Accounts receivable from discretely presented component units	1,528
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(449)
Other amounts payable to discretely presented component units	(3,060)
Payments to the Office of the Chancellor for administrative activities	147
Payments to the Office of the Chancellor for state pro rata charges	80
Accounts receivable from the Office of the Chancellor	939
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(1)
State lottery allocation received	1,580
Other interagency payments (receipts) for services, space, and programs	746

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 14	9,688	9,702
Short-term investments	134,963	27,594	162,557
Accounts receivable, net	6,335	5,599	11,934
Lease receivable, current portion	363	119	482
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	6,510	6,510
Prepaid expenses and other current assets	2,210	—	2,210
Total current assets	143,885	49,510	193,395
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	1,016	342	1,358
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	190	—	190
Pledge receivable, net	—	7,139	7,139
Endowment investments	—	16,137	16,137
Other long-term investments	20,385	—	20,385
Capital assets, net	285,078	3,577	288,655
Other assets	9	—	9
Total noncurrent assets	306,678	27,195	333,873
Total assets	450,563	76,705	527,268
Deferred Outflows of Resources			
Deferred outflows of resources	178,977	3,602	182,579
Liabilities			
Current liabilities			
Accounts payable	8,060	2,745	10,805
Accrued salaries and benefits	14,900	18	14,918
Accrued compensated absences, current portion	5,094	55	5,149
Unearned revenues	9,351	4,882	14,233
Lease liabilities, current portion	1,030	—	1,030
SBITA liabilities, current portion	523	—	523
Long-term debt obligations, current portion	3,700	310	4,010
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	45	—	45
Other liabilities	1,787	4	1,791
Total current liabilities	44,490	8,014	52,504

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 4,243	—	4,243
Unearned revenues	—	—	—
Grants refundable	36	—	36
Lease liabilities, net of current portion	1,657	—	1,657
SBITA liabilities, net of current portion	336	—	336
Long-term debt obligations, net of current portion	79,314	348	79,662
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	470,273	3,154	473,427
Net pension liability	265,036	7,628	272,664
Other liabilities	4,538	—	4,538
Total noncurrent liabilities	825,433	11,130	836,563
Total liabilities	869,923	19,144	889,067
Deferred Inflows of Resources			
Deferred inflows of resources	207,118	2,217	209,335
Net Position			
Net position			
Net investment in capital assets	201,682	2,921	204,603
Restricted for			
Nonexpendable – endowments	—	16,137	16,137
Expendable			
Scholarships and fellowships	1,372	1,600	2,972
Research	—	—	—
Loans	642	—	642
Capital projects	391	22,912	23,303
Debt service	4	—	4
Others	2,460	3,402	5,862
Unrestricted	(654,052)	11,974	(642,078)
Total net position	\$ (447,501)	58,946	(388,555)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$49,427)	\$ 70,689	—	—	70,689
Grants and contracts, noncapital				
Federal	—	13,436	—	13,436
State	—	1,490	—	1,490
Local	34	—	—	34
Nongovernmental	—	2,825	—	2,825
Sales and services of educational activities	51	—	—	51
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$4,190)	13,216	—	—	13,216
Other operating revenues	12,919	1,908	—	14,827
Total operating revenues	96,909	19,659	—	116,568
Expenses				
Operating expenses				
Instruction	96,002	52	—	96,054
Research	2,277	4,727	—	7,004
Public service	2,512	6,838	—	9,350
Academic support	45,113	4,247	—	49,360
Student services	35,157	1,886	—	37,043
Institutional support	27,902	—	—	27,902
Operation and maintenance of plant	28,869	—	—	28,869
Student grants and scholarships	30,706	191	—	30,897
Auxiliary enterprise expenses	17,073	3,273	(2,712)	17,634
Depreciation and amortization	16,351	192	—	16,543
Total operating expenses	301,962	21,406	(2,712)	320,656
Operating loss	(205,053)	(1,747)	2,712	(204,088)
Nonoperating revenues (expenses)				
State appropriations, noncapital	149,208	—	—	149,208
Federal financial aid grants, noncapital	26,109	—	—	26,109
State financial aid grants, noncapital	29,540	—	—	29,540
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	398	—	—	398

CALIFORNIA STATE UNIVERSITY, EAST BAY
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 2,031	146	(2,613)	(436)
Investment income, net	5,396	2,528	—	7,924
Endowment income, net	—	144	—	144
Interest expense	(3,114)	2	—	(3,112)
Other nonoperating revenues	5,764	263	—	6,027
Net nonoperating revenues	215,332	3,083	(2,613)	215,802
Income before other revenues	10,279	1,336	99	11,714
State appropriations, capital	—	—	—	—
Grants and gifts, capital	99	18,634	(99)	18,634
Additions to permanent endowments	—	571	—	571
Increase in net position	10,378	20,541	—	30,919
Net position				
Net position at beginning of year	(457,879)	38,405	—	(419,474)
Net position at end of year	\$ (447,501)	58,946	—	(388,555)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 79,946
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	34
Nongovernmental grants and contracts	—
Payments to suppliers	(70,326)
Payments to employees	(127,602)
Payments for benefits	(65,714)
Payments to students	(30,670)
Collections of student loans	7
Sales and services of educational activities	51
Sales and services of auxiliary enterprises	12,447
Other receipts	12,907
Net cash used in operating activities	<u>(188,920)</u>
Cash flows from noncapital financing activities	
State appropriations	133,349
Federal financial aid grants	26,084
State financial aid grants	34,184
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	398
Gifts and grants received for other than capital purposes	2,031
Federal loan program receipts	38,524
Federal loan program disbursements	(38,636)
Monies received on behalf of others	204
Monies disbursed on behalf of others	(189)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	8,728
Net cash provided by noncapital financing activities	<u>204,677</u>

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	—
State appropriations	—
Capital grants and gifts	99
Proceeds from sale of capital assets	—
Acquisition of capital assets	(20,284)
Principal paid on capital debt and leases	(5,383)
Interest paid on capital debt and leases	(3,253)
Principal collection on leases receivable	397
Interest collection on leases receivable	14
Net cash used in capital and related financing activities	<u>(28,410)</u>
Cash flows from investing activities	
Proceeds from sales of investments	458,504
Purchases of investments	(448,550)
Investment income proceeds	2,697
Net cash provided by investing activities	<u>12,651</u>
Net decrease in cash and cash equivalents	(4)
Cash and cash equivalents at beginning of year, as restated	18
Cash and cash equivalents at end of year	<u>\$ 14</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (205,053)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,351
Change in assets and liabilities	
Accounts receivable, net	10,905
Student loans receivable, net	(38)
Prepaid expenses and other current assets	465
Other assets	—
Deferred outflows of resources	(56,241)
Accounts payable	(677)
Accrued salaries and benefits	(3)
Accrued compensated absences	496
Unearned revenues	(1,359)
Other postemployment benefits liability	(78,569)
Net pension liability	84,635
Other liabilities	340
Deferred inflows of resources	39,828
Net cash used in operating activities	<u>\$ (188,920)</u>

CALIFORNIA STATE UNIVERSITY, EAST BAY

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 15,859
Change in unrealized gain on investments	2,680
Gifts in kind - noncapital	2,031
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	210
Amortization of net bond premium	451
Change in capital assets due to implementation of GASB Statement No. 96	405

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, EAST BAY

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,864
Payments from discretely presented component units for other than salaries	2,596
Payments to discretely presented component units for services, space, and programs	1,676
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,712
Accounts receivable from discretely presented component units	2,683
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(2)
Other amounts payable to discretely presented component units	(454)
Payments to the Office of the Chancellor for administrative activities	306
Payments to the Office of the Chancellor for state pro rata charges	77
Accounts receivable from the Office of the Chancellor	1,326
Accounts receivable from campuses other than the Office of the Chancellor	41
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,630
Other interagency payments (receipts) for services, space, and programs	8

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 9	21,689	21,698
Short-term investments	176,327	114,952	291,279
Accounts receivable, net	6,550	27,515	34,065
Lease receivable, current portion	5,241	—	5,241
P3 receivable, current portion	—	—	—
Notes receivable, current portion	292	5	297
Pledge receivable, net	—	5,765	5,765
Prepaid expenses and other current assets	759	2,552	3,311
Total current assets	189,178	172,478	361,656
Noncurrent assets			
Restricted cash and cash equivalents	—	428	428
Accounts receivable, net	—	325	325
Lease receivable, net of current portion	33,087	—	33,087
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	2,121	—	2,121
Student loans receivable, net	1,217	391	1,608
Pledge receivable, net	—	7,377	7,377
Endowment investments	606	213,607	214,213
Other long-term investments	79,778	16,612	96,390
Capital assets, net	367,639	67,609	435,248
Other assets	11	536	547
Total noncurrent assets	484,459	306,885	791,344
Total assets	673,637	479,363	1,153,000
Deferred Outflows of Resources			
Deferred outflows of resources	250,434	2,300	252,734
Liabilities			
Current liabilities			
Accounts payable	10,833	9,048	19,881
Accrued salaries and benefits	24,878	2,620	27,498
Accrued compensated absences, current portion	5,691	208	5,899
Unearned revenues	13,063	21,116	34,179
Lease liabilities, current portion	446	5,141	5,587
SBITA liabilities, current portion	454	237	691
Long-term debt obligations, current portion	8,965	847	9,812
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	302	183	485
Other liabilities	14,089	1,708	15,797
Total current liabilities	78,721	41,108	119,829

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 5,863	600	6,463
Unearned revenues	—	225	225
Grants refundable	823	—	823
Lease liabilities, net of current portion	260	30,316	30,576
SBITA liabilities, net of current portion	67	609	676
Long-term debt obligations, net of current portion	114,718	4,674	119,392
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	4,017	4,017
Other postemployment benefits liability	647,523	9,522	657,045
Net pension liability	382,524	3,857	386,381
Other liabilities	65,588	5,169	70,757
Total noncurrent liabilities	1,217,366	58,989	1,276,355
Total liabilities	1,296,087	100,097	1,396,184
Deferred Inflows of Resources			
Deferred inflows of resources	318,241	5,500	323,741
Net Position			
Net position			
Net investment in capital assets	180,106	30,177	210,283
Restricted for			
Nonexpendable – endowments	606	212,755	213,361
Expendable			
Scholarships and fellowships	2,011	7,966	9,977
Research	—	—	—
Loans	970	2,380	3,350
Capital projects	632	161	793
Debt service	12	—	12
Others	666	75,632	76,298
Unrestricted	(875,260)	46,995	(828,265)
Total net position	\$ (690,257)	376,066	(314,191)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$110,872)	\$ 81,939	—	—	81,939
Operating expenses				
Federal	8	27,544	—	27,552
State	350	13,927	—	14,277
Local	—	—	—	—
Nongovernmental	—	4,515	—	4,515
Sales and services of educational activities	329	—	—	329
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$7,352)	8,703	53,635	—	62,338
Other operating revenues	16,736	18,272	—	35,008
Total operating revenues	108,065	117,893	—	225,958
Expenses				
Operating expenses				
Instruction	173,393	12,956	—	186,349
Research	4,000	8,861	—	12,861
Public service	1,551	22,446	—	23,997
Academic support	39,931	—	—	39,931
Student services	60,295	711	(249)	60,757
Institutional support	52,594	102	—	52,696
Operation and maintenance of plant	52,254	1,755	—	54,009
Student grants and scholarships	67,399	13,671	(6,274)	74,796
Auxiliary enterprise expenses	19,758	74,447	(49)	94,156
Depreciation and amortization	17,202	5,255	—	22,457
Total operating expenses	488,377	140,204	(6,572)	622,009
Operating loss	(380,312)	(22,311)	6,572	(396,051)
Nonoperating revenues (expenses)				
State appropriations, noncapital	306,302	—	—	306,302
Federal financial aid grants, noncapital	68,175	—	—	68,175
State financial aid grants, noncapital	61,010	—	—	61,010
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	33,350	—	—	33,350

CALIFORNIA STATE UNIVERSITY, FRESNO
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 6,690	15,645	(6,739)	15,596
Investment income, net	6,018	3,981	—	9,999
Endowment income, net	4	21,339	—	21,343
Interest expense	(4,182)	(103)	—	(4,285)
Other nonoperating revenues (expenses)	3,458	(970)	1,419	3,907
Net nonoperating revenues	480,825	39,892	(5,320)	515,397
Income before other revenues	100,513	17,581	1,252	119,346
State appropriations, capital	—	—	—	—
Grants and gifts, capital	1,589	—	(1,252)	337
Additions to permanent endowments	—	6,296	—	6,296
Increase in net position	102,102	23,877	—	125,979
Net position				
Net position at beginning of year	(792,359)	352,189	—	(440,170)
Net position at end of year	\$ (690,257)	376,066	—	(314,191)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 89,359
Federal grants and contracts	8
State grants and contracts	249
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(105,254)
Payments to employees	(194,657)
Payments for benefits	(99,834)
Payments to students	(67,209)
Collections of student loans	85
Sales and services of educational activities	329
Sales and services of auxiliary enterprises	8,077
Other receipts	13,380
Net cash used in operating activities	<u>(355,467)</u>
Cash flows from noncapital financing activities	
State appropriations	283,427
Federal financial aid grants	67,802
State financial aid grants	60,810
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	35,988
Gifts and grants received for other than capital purposes	6,690
Federal loan program receipts	43,202
Federal loan program disbursements	(43,275)
Monies received on behalf of others	3,876
Monies disbursed on behalf of others	(3,812)
Principal paid on long-term debt	(4,640)
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	289
Interest collections on notes receivable	—
Other noncapital financing activities	49,565
Net cash provided by noncapital financing activities	<u>499,922</u>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ 676
State appropriations	—
Capital grants and gifts	1,252
Proceeds from sale of capital assets	61
Acquisition of capital assets	(75,818)
Principal paid on capital debt and leases	(5,233)
Interest paid on capital debt and leases	(4,488)
Principal collection on leases receivable	4,085
Interest collection on leases receivable	1,164
Net cash used in capital and related financing activities	<u>(78,301)</u>
Cash flows from investing activities	
Proceeds from sales of investments	663,317
Purchases of investments	(732,635)
Investment income proceeds	3,163
Net cash used in investing activities	<u>(66,155)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year, as restated	10
Cash and cash equivalents at end of year	<u>\$ 9</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (380,312)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,202
Change in assets and liabilities	
Accounts receivable, net	798
Student loans receivable, net	(33)
Prepaid expenses and other current assets	(45)
Other assets	(11)
Deferred outflows of resources	(83,986)
Accounts payable	2,455
Accrued salaries and benefits	909
Accrued compensated absences	70
Unearned revenues	7,698
Other postemployment benefits liability	(96,758)
Net pension liability	126,949
Other liabilities	1,207
Deferred inflows of resources	48,390
Net cash used in operating activities	<u>\$ (355,467)</u>

CALIFORNIA STATE UNIVERSITY, FRESNO

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 22,521
Change in unrealized gain on investments	1,705
Gifts in kind - noncapital	6,690
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	274
Amortization of net bond premium	302
Change in capital assets due to implementation of GASB Statement No. 96	170

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FRESNO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,934
Payments from discretely presented component units for other than salaries	1,727
Payments to discretely presented component units for services, space, and programs	14,417
Gifts in kind from discretely presented component units	327
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	1,499
Other amounts receivable from discretely presented component units	2,413
Accounts payable to discretely presented component units	(1,461)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	115
Payments to the Office of the Chancellor for state pro rata charges	36
Accounts payable to the Office of the Chancellor	—
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,972
Other interagency payments (receipts) for services, space, and programs	600

See accompanying independent auditors' report.



23

UNIVERSITIES

and eight
off-campus centers



CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 7	56,333	56,340
Short-term investments	373,298	35,096	408,394
Accounts receivable, net	18,435	9,620	28,055
Lease receivable, current portion	103	3,170	3,273
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	9,857	9,857
Prepaid expenses and other current assets	12,771	2,645	15,416
Total current assets	404,614	116,721	521,335
Noncurrent assets			
Restricted cash and cash equivalents	—	4,255	4,255
Accounts receivable, net	24	—	24
Lease receivable, net of current portion	578	30,978	31,556
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,044	—	1,044
Pledge receivable, net	—	10,285	10,285
Endowment investments	—	134,934	134,934
Other long-term investments	140,802	12,799	153,601
Capital assets, net	622,407	32,769	655,176
Other assets	4,060	1,631	5,691
Total noncurrent assets	768,915	227,651	996,566
Total assets	1,173,529	344,372	1,517,901
Deferred Outflows of Resources			
Deferred outflows of resources	361,274	—	361,274
Liabilities			
Current liabilities			
Accounts payable	24,012	7,252	31,264
Accrued salaries and benefits	38,152	413	38,565
Accrued compensated absences, current portion	7,827	793	8,620
Unearned revenues	23,993	2,696	26,689
Lease liabilities, current portion	1,821	222	2,043
SBITA liabilities, current portion	397	—	397
Long-term debt obligations, current portion	11,755	1,315	13,070
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	3,846	3,846
Other liabilities	10,882	3,238	14,120
Total current liabilities	118,839	19,775	138,614

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 9,567	391	9,958
Unearned revenues	—	—	—
Grants refundable	2,101	—	2,101
Lease liabilities, net of current portion	21,233	4,326	25,559
SBITA liabilities, net of current portion	914	—	914
Long-term debt obligations, net of current portion	328,637	21,662	350,299
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	872	872
Other postemployment benefits liability	850,643	2,869	853,512
Net pension liability	563,738	9,971	573,709
Other liabilities	67	748	815
Total noncurrent liabilities	1,776,900	40,839	1,817,739
Total liabilities	1,895,739	60,614	1,956,353
Deferred Inflows of Resources			
Deferred inflows of resources	371,369	—	371,369
Net Position			
Net position			
Net investment in capital assets	264,502	9,792	274,294
Restricted for			
Nonexpendable – endowments	—	76,522	76,522
Expendable			
Scholarships and fellowships	—	8,182	8,182
Research	—	—	—
Loans	907	—	907
Capital projects	3,216	—	3,216
Debt service	25	—	25
Others	449	89,608	90,057
Unrestricted	(1,001,404)	99,654	(901,750)
Total net position	\$ (732,305)	283,758	(448,547)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$138,042)	\$ 180,744	—	—	180,744
Grants and contracts, noncapital				
Federal	422	21,664	—	22,086
State	—	7,629	—	7,629
Local	—	3,691	—	3,691
Nongovernmental	—	1,648	—	1,648
Sales and services of educational activities	2,177	—	—	2,177
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,638)	49,368	28,886	—	78,254
Other operating revenues	7,075	50,606	—	57,681
Total operating revenues	239,786	114,124	—	353,910
Expenses				
Operating expenses				
Instruction	258,624	9,994	—	268,618
Research	913	6,622	—	7,535
Public service	4,355	10,927	—	15,282
Academic support	36,307	1,076	—	37,383
Student services	73,501	33,227	—	106,728
Institutional support	82,251	4,389	—	86,640
Operation and maintenance of plant	51,315	7,618	—	58,933
Student grants and scholarships	111,648	11,183	—	122,831
Auxiliary enterprise expenses	44,804	30,218	(1,577)	73,445
Depreciation and amortization	37,384	1,866	—	39,250
Total operating expenses	701,102	117,120	(1,577)	816,645
Operating loss	(461,316)	(2,996)	1,577	(462,735)
Nonoperating revenues (expenses)				
State appropriations, noncapital	392,476	—	—	392,476
Federal financial aid grants, noncapital	91,934	—	—	91,934
State financial aid grants, noncapital	95,105	—	—	95,105
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	1,529	—	—	1,529

CALIFORNIA STATE UNIVERSITY, FULLERTON
Statement of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 609	19,253	(610)	19,252
Investment income, net	9,978	11,277	—	21,255
Endowment income, net	—	1,306	—	1,306
Interest expense	(13,010)	(1,093)	—	(14,103)
Other nonoperating revenues (expenses)	29,268	(3,654)	(967)	24,647
Net nonoperating income	607,889	27,089	(1,577)	633,401
Income before other revenues	146,573	24,093	—	170,666
State appropriations, capital	—	—	—	—
Grants and gifts, capital	5,046	—	—	5,046
Additions to permanent endowments	—	524	—	524
Increase in net position	151,619	24,617	—	176,236
Net position				
Net position at beginning of year	(883,924)	259,141	—	(624,783)
Net position at end of year	\$ (732,305)	283,758	—	(448,547)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 178,486
Federal grants and contracts	421
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(137,893)
Payments to employees	(277,120)
Payments for benefits	(142,672)
Payments to students	(111,544)
Collections of student loans	—
Sales and services of educational activities	2,177
Sales and services of auxiliary enterprises	49,869
Other receipts	18,760
Net cash used in operating activities	<u>(419,516)</u>
Cash flows from noncapital financing activities	
State appropriations	362,860
Federal financial aid grants	91,976
State financial aid grants	92,344
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	13,746
Gifts and grants received for other than capital purposes	609
Federal loan program receipts	81,124
Federal loan program disbursements	(81,154)
Monies received on behalf of others	6,549
Monies disbursed on behalf of others	(6,680)
Principal paid on long-term debt	(165)
Interest paid on long-term debt	(40)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	21,864
Net cash provided by noncapital financing activities	<u>583,033</u>

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(30,471)
Principal paid on capital debt and leases	(12,851)
Interest paid on capital debt and leases	(14,474)
Principal collection on leases receivable	95
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(57,701)</u>
Cash flows from investing activities	
Proceeds from sales of investments	1,011,175
Purchases of investments	(1,122,335)
Investment income proceeds	5,343
Net cash used in investing activities	<u>(105,817)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year, as restated	8
Cash and cash equivalents at end of year	<u>\$ 7</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (461,316)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	37,384
Change in assets and liabilities	
Accounts receivable, net	(226)
Student loans receivable, net	(469)
Prepaid expenses and other current assets	(815)
Other assets	250
Deferred outflows of resources	(111,103)
Accounts payable	3,908
Accrued salaries and benefits	1,899
Accrued compensated absences	818
Unearned revenues	12,432
Other postemployment benefits liability	(140,698)
Net pension liability	187,993
Other liabilities	326
Deferred inflows of resources	50,101
Net cash used in operating activities	<u>\$ (419,516)</u>

CALIFORNIA STATE UNIVERSITY, FULLERTON

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 29,616
Change in unrealized gain on investments	4,664
Gifts in kind - noncapital	609
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	112
Amortization of net bond premium	1,821
Change in capital assets due to implementation of GASB Statement No. 96	622

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, FULLERTON

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 3,422
Payments from discretely presented component units for other than salaries	11,279
Payments to discretely presented component units for services, space, and programs	38,375
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	1,289
Accounts receivable from discretely presented component units	4,020
Other amounts receivable from discretely presented component units	1,576
Accounts payable to discretely presented component units	(933)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,163
Payments to the Office of the Chancellor for state pro rata charges	124
Accounts receivable from the Office of the Chancellor	7,629
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	3,330
Other interagency payments (receipts) for services, space, and programs	(1,840)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 17	8,479	8,496
Short-term investments	279,307	9,592	288,899
Accounts receivable, net	4,182	16,011	20,193
Lease receivable, current portion	9	578	587
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	2,000	1,389	3,389
Prepaid expenses and other current assets	1,982	260	2,242
Total current assets	287,497	36,309	323,806
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	88	397	485
Lease receivable, net of current portion	706	4,572	5,278
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,085	—	1,085
Pledge receivable, net	—	2,040	2,040
Endowment investments	975	31,388	32,363
Other long-term investments	322	7,312	7,634
Capital assets, net	248,784	12,111	260,895
Other assets	25	1,248	1,273
Total noncurrent assets	251,985	59,068	311,053
Total assets	539,482	95,377	634,859
Deferred Outflows of Resources			
Deferred outflows of resources	132,180	4,222	136,402
Liabilities			
Current liabilities			
Accounts payable	10,155	4,659	14,814
Accrued salaries and benefits	9,499	855	10,354
Accrued compensated absences, current portion	4,347	299	4,646
Unearned revenues	4,606	5,975	10,581
Lease liabilities, current portion	793	110	903
SBITA liabilities, current portion	—	—	—
Long-term debt obligations, current portion	1,650	—	1,650
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	408	—	408
Other liabilities	720	333	1,053
Total current liabilities	32,178	12,231	44,409

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 2,261	110	2,371
Unearned revenues	—	5,188	5,188
Grants refundable	1,135	—	1,135
Lease liabilities, net of current portion	3,690	142	3,832
SBITA liabilities, net of current portion	—	—	—
Long-term debt obligations, net of current portion	41,784	—	41,784
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	383,724	—	383,724
Net pension liability	175,707	3,337	179,044
Other liabilities	397	285	682
Total noncurrent liabilities	608,698	9,062	617,760
Total liabilities	640,876	21,293	662,169
Deferred Inflows of Resources			
Deferred inflows of resources	164,501	6,918	171,419
Net Position			
Net position			
Net investment in capital assets	205,030	11,868	216,898
Restricted for			
Nonexpendable – endowments	975	27,663	28,638
Expendable			
Scholarships and fellowships	2,408	—	2,408
Research	—	—	—
Loans	1,227	—	1,227
Capital projects	1,133	—	1,133
Debt service	2	—	2
Others	384	12,904	13,288
Unrestricted	(344,874)	18,953	(325,921)
Total net position	\$ (133,715)	71,388	(62,327)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$22,078)	\$ 31,064	—	—	31,064
Grants and contracts, noncapital				
Federal	472	12,748	—	13,220
State	509	16,712	—	17,221
Local	—	2,158	—	2,158
Nongovernmental	—	6,371	—	6,371
Sales and services of educational activities	325	20	—	345
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$8,916)	15,529	27	—	15,556
Other operating revenues	27,410	7,206	—	34,616
Total operating revenues	75,309	45,242	—	120,551
Expenses				
Operating expenses				
Instruction	65,257	337	—	65,594
Research	413	19,425	—	19,838
Public service	258	20,991	—	21,249
Academic support	23,652	1,412	—	25,064
Student services	38,129	1,088	—	39,217
Institutional support	22,394	279	—	22,673
Operation and maintenance of plant	32,801	8	—	32,809
Student grants and scholarships	13,760	622	(622)	13,760
Auxiliary enterprise expenses	23,541	4,899	—	28,440
Depreciation and amortization	10,268	384	—	10,652
Total operating expenses	230,473	49,445	(622)	279,296
Operating loss	(155,164)	(4,203)	622	(158,745)
Nonoperating revenues (expenses)				
State appropriations, noncapital	284,475	—	—	284,475
Federal financial aid grants, noncapital	15,017	—	—	15,017
State financial aid grants, noncapital	12,229	—	—	12,229
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	14	—	—	14
Other federal nonoperating grants, noncapital	11,059	—	—	11,059

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), continued				
Gifts, noncapital	\$ 2,102	3,452	710	6,264
Investment income, net	1,967	605	—	2,572
Endowment income (loss), net	(19)	2,312	—	2,293
Interest expense	(1,757)	(6)	—	(1,763)
Other nonoperating revenues (expenses)	3,611	(2,345)	(345)	921
Net nonoperating income	328,698	4,018	365	333,081
Income (loss) before other revenues	173,534	(185)	987	174,336
State appropriations, capital	—	—	—	—
Grants and gifts, capital	497	—	(987)	(490)
Additions to permanent endowments	—	460	—	460
Increase in net position	174,031	275	—	174,306
Net position				
Net position at beginning of year	(307,746)	71,113	—	(236,633)
Net position at end of year	\$ (133,715)	71,388	—	(62,327)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 28,965
Federal grants and contracts	413
State grants and contracts	3,085
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(62,534)
Payments to employees	(93,758)
Payments for benefits	(47,506)
Payments to students	(13,796)
Collections of student loans	14
Sales and services of educational activities	325
Sales and services of auxiliary enterprises	15,287
Other receipts	26,398
Net cash used in operating activities	<u>(143,107)</u>
Cash flows from noncapital financing activities	
State appropriations	271,727
Federal financial aid grants	15,017
State financial aid grants	12,229
Nongovernmental and other financial aid grants	15
Other federal nonoperating grants	11,058
Gifts and grants received for other than capital purposes	2,102
Federal loan program receipts	20,192
Federal loan program disbursements	(20,109)
Monies received on behalf of others	5,902
Monies disbursed on behalf of others	(5,846)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	2,842
Net cash provided by noncapital financing activities	<u>315,129</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	9,826
Acquisition of capital assets	(58,764)
Principal paid on capital debt and leases	(3,603)
Interest paid on capital debt and leases	(1,788)
Principal collection on leases receivable	184
Interest collection on leases receivable	716
Net cash used in capital and related financing activities	<u>(53,429)</u>
Cash flows from investing activities	
Proceeds from sales of investments	318,658
Purchases of investments	(437,922)
Investment income proceeds	675
Net cash used in investing activities	<u>(118,589)</u>
Net increase in cash and cash equivalents	4
Cash and cash equivalents at beginning of year, as restated	13
Cash and cash equivalents at end of year	<u>\$ 17</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (155,164)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	10,268
Change in assets and liabilities	
Accounts receivable, net	(1,105)
Student loans receivable, net	(127)
Prepaid expenses and other current assets	(185)
Other assets	(1)
Deferred outflows of resources	(47,549)
Accounts payable	(1,397)
Accrued salaries and benefits	124
Accrued compensated absences	578
Unearned revenues	1,937
Other postemployment benefits liability	(52,391)
Net pension liability	59,134
Other liabilities	127
Deferred inflows of resources	42,644
Net cash used in operating activities	<u>\$ (143,107)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 12,748
Change in unrealized gain on investments	558
Gifts in kind - noncapital	2,102
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	1,335
Amortization of net bond premium	269
Change in capital assets due to implementation of GASB Statement No. 96	—

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, HUMBOLDT

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,465
Payments from discretely presented component units for other than salaries	7,056
Payments to discretely presented component units for services, space, and programs	1,435
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	954
Accounts receivable from discretely presented component units	908
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	—
Other amounts payable to discretely presented component units	(397)
Payments to the Office of the Chancellor for administrative activities	1,801
Payments to the Office of the Chancellor for state pro rata charges	32
Accounts receivable from the Office of the Chancellor	1,130
Accounts receivable from campuses other than the Office of the Chancellor	29
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	1,177
Other interagency payments (receipts) for services, space, and programs	40

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 12	11,562	11,574
Short-term investments	257,749	102,317	360,066
Accounts receivable, net	14,644	13,394	28,038
Lease receivable, current portion	48	1,125	1,173
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	2,978	2,978
Prepaid expenses and other current assets	3,412	1,646	5,058
Total current assets	275,865	133,022	408,887
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	1,516	16,327	17,843
Lease receivable, net of current portion	632	74,315	74,947
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,672	—	2,672
Pledge receivable, net	—	3,310	3,310
Endowment investments	—	115,394	115,394
Other long-term investments	113,264	5,928	119,192
Capital assets, net	602,062	46,967	649,029
Other assets	243	1,470	1,713
Total noncurrent assets	720,389	263,711	984,100
Total assets	996,254	396,733	1,392,987
Deferred Outflows of Resources			
Deferred outflows of resources	396,035	1,923	397,958
Liabilities			
Current liabilities			
Accounts payable	22,127	2,464	24,591
Accrued salaries and benefits	41,459	4,577	46,036
Accrued compensated absences, current portion	10,708	2,092	12,800
Unearned revenues	32,611	7,528	40,139
Lease liabilities, current portion	1,402	62	1,464
SBITA liabilities, current portion	450	—	450
Long-term debt obligations, current portion	7,055	1,425	8,480
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	196	1,583	1,779
Other liabilities	3,322	6,581	9,903
Total current liabilities	119,330	26,312	145,642

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 9,538	—	9,538
Unearned revenues	—	—	—
Grants refundable	2,411	—	2,411
Lease liabilities, net of current portion	14,350	82	14,432
SBITA liabilities, net of current portion	327	—	327
Long-term debt obligations, net of current portion	233,236	23,292	256,528
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	936,873	6,529	943,402
Net pension liability	621,088	12,514	633,602
Other liabilities	—	5,883	5,883
Total noncurrent liabilities	1,817,823	48,300	1,866,123
Total liabilities	1,937,153	74,612	2,011,765
Deferred Inflows of Resources			
Deferred inflows of resources	397,183	86,630	483,813
Net Position			
Net position			
Net investment in capital assets	353,170	22,105	375,275
Restricted for			
Nonexpendable – endowments	—	104,604	104,604
Expendable			
Scholarships and fellowships	154	9,249	9,403
Research	—	6,153	6,153
Loans	813	—	813
Capital projects	4,122	—	4,122
Debt service	35	—	35
Others	110	39,146	39,256
Unrestricted	(1,300,451)	56,157	(1,244,294)
Total net position	\$ (942,047)	237,414	(704,633)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$154,605)	\$ 161,125	—	—	161,125
Grants and contracts, noncapital				
Federal	274	26,578	—	26,852
State	—	10,777	—	10,777
Local	—	431	—	431
Nongovernmental	—	2,918	—	2,918
Sales and services of educational activities	3,975	208	—	4,183
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$7,558)	51,590	37,355	—	88,945
Other operating revenues	17,852	24,999	(300)	42,551
Total operating revenues	234,816	103,266	(300)	337,782
Expenses				
Operating expenses				
Instruction	288,616	8,720	—	297,336
Research	4,512	13,631	—	18,143
Public service	3,547	6,437	—	9,984
Academic support	64,975	7,996	—	72,971
Student services	87,343	27,719	(687)	114,375
Institutional support	62,705	12,134	(4,646)	70,193
Operation and maintenance of plant	80,470	—	(398)	80,072
Student grants and scholarships	105,297	7,172	(8,482)	103,987
Auxiliary enterprise expenses	40,592	34,934	(75)	75,451
Depreciation and amortization	41,789	2,533	—	44,322
Total operating expenses	779,846	121,276	(14,288)	886,834
Operating loss	(545,030)	(18,010)	13,988	(549,052)
Nonoperating revenues (expenses)				
State appropriations, noncapital	387,351	—	—	387,351
Federal financial aid grants, noncapital	91,600	—	—	91,600
State financial aid grants, noncapital	95,889	—	—	95,889
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	8,204	—	(8,204)	—
Other federal nonoperating grants, noncapital	1,055	—	—	1,055

CALIFORNIA STATE UNIVERSITY, LONG BEACH
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 799	14,288	(741)	14,346
Investment income, net	9,377	6,029	—	15,406
Endowment income, net	—	8,494	—	8,494
Interest expense	(8,151)	(867)	—	(9,018)
Other nonoperating revenues (expenses)	6,456	(2)	—	6,454
Net nonoperating income	592,580	27,942	(8,945)	611,577
Income before other revenues	47,550	9,932	5,043	62,525
State appropriations, capital	—	—	—	—
Grants and gifts, capital	5,125	—	(5,043)	82
Additions to permanent endowments	—	4,174	—	4,174
Increase in net position	52,675	14,106	—	66,781
Net position				
Net position at beginning of year	(994,722)	223,308	—	(771,414)
Net position at end of year	\$ (942,047)	237,414	—	(704,633)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 169,675
Federal grants and contracts	274
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(153,043)
Payments to employees	(315,991)
Payments for benefits	(155,636)
Payments to students	(105,440)
Collections of student loans	20
Sales and services of educational activities	3,975
Sales and services of auxiliary enterprises	47,302
Other receipts	16,285
Net cash used in operating activities	<u>(492,579)</u>
Cash flows from noncapital financing activities	
State appropriations	354,840
Federal financial aid grants	91,574
State financial aid grants	95,889
Nongovernmental and other financial aid grants	8,204
Other federal nonoperating grants	19,003
Gifts and grants received for other than capital purposes	1,052
Federal loan program receipts	87,480
Federal loan program disbursements	(87,584)
Monies received on behalf of others	12,984
Monies disbursed on behalf of others	(12,860)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	3,529
Net cash provided by noncapital financing activities	<u>574,111</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	4,511
Proceeds from sale of capital assets	720
Acquisition of capital assets	(23,186)
Principal paid on capital debt and leases	(7,288)
Interest paid on capital debt and leases	(9,061)
Principal collection on leases receivable	120
Interest collection on leases receivable	(1)
Net cash used in capital and related financing activities	<u>(34,185)</u>
Cash flows from investing activities	
Proceeds from sales of investments	1,666,953
Purchases of investments	(1,719,528)
Investment income proceeds	5,221
Net cash used in investing activities	<u>(47,354)</u>
Net decrease in cash and cash equivalents	(7)
Cash and cash equivalents at beginning of year, as restated	19
Cash and cash equivalents at end of year	<u>\$ 12</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (545,030)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	41,789
Change in assets and liabilities	
Accounts receivable, net	(4,364)
Student loans receivable, net	(228)
Prepaid expenses and other current assets	(161)
Other assets	130
Deferred outflows of resources	(119,384)
Accounts payable	6,338
Accrued salaries and benefits	2,464
Accrued compensated absences	929
Unearned revenues	10,373
Other postemployment benefits liability	(147,821)
Net pension liability	214,349
Other liabilities	(433)
Deferred inflows of resources	48,470
Net cash used in operating activities	<u>\$ (492,579)</u>

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 32,856
Change in unrealized gain on investments	4,156
Gifts in kind - noncapital	799
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	1,507
Change in capital assets due to implementation of GASB Statement No. 96	1,060

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

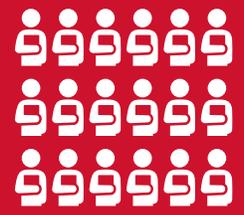
Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,320
Payments from discretely presented component units for other than salaries	21,875
Payments to discretely presented component units for services, space, and programs	25,260
Gifts in kind from discretely presented component units	689
Gifts (cash or assets) from discretely presented component units	13,598
Accounts receivable from discretely presented component units	8,434
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,316)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	315
Payments to the Office of the Chancellor for state pro rata charges	113
Accounts receivable from the Office of the Chancellor	1,358
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(20)
State lottery allocation received	3,329
Other interagency payments (receipts) for services, space, and programs	949

See accompanying independent auditors' report.



MORE THAN
450,000
students



CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 7	7,055	7,062
Short-term investments	140,404	30,222	170,626
Accounts receivable, net	12,771	6,964	19,735
Lease receivable, current portion	1,848	357	2,205
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	21	21
Pledge receivable, net	—	814	814
Prepaid expenses and other current assets	4,338	284	4,622
Total current assets	159,368	45,717	205,085
Noncurrent assets			
Restricted cash and cash equivalents	—	849	849
Accounts receivable, net	139	—	139
Lease receivable, net of current portion	21,955	3,803	25,758
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,443	—	1,443
Pledge receivable, net	—	3,844	3,844
Endowment investments	—	64,382	64,382
Other long-term investments	152,230	—	152,230
Capital assets, net	632,311	34,741	667,052
Other assets	263	838	1,101
Total noncurrent assets	808,341	108,457	916,798
Total assets	967,709	154,174	1,121,883
Deferred Outflows of Resources			
Deferred outflows of resources	245,150	1,764	246,914
Liabilities			
Current liabilities			
Accounts payable	15,217	2,053	17,270
Accrued salaries and benefits	25,107	1,362	26,469
Accrued compensated absences, current portion	7,959	575	8,534
Unearned revenues	31,911	11,473	43,384
Lease liabilities, current portion	1,170	1,270	2,440
SBITA liabilities, current portion	46	—	46
Long-term debt obligations, current portion	8,440	226	8,666
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	4,479	40	4,519
Total current liabilities	94,329	16,999	111,328

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 4,966	43	5,009
Unearned revenues	—	—	—
Grants refundable	227	—	227
Lease liabilities, net of current portion	6,705	13,305	20,010
SBITA liabilities, net of current portion	48	—	48
Long-term debt obligations, net of current portion	303,932	5,061	308,993
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	6	—	6
Other postemployment benefits liability	589,079	1,034	590,113
Net pension liability	389,566	—	389,566
Other liabilities	—	—	—
Total noncurrent liabilities	1,294,529	19,443	1,313,972
Total liabilities	1,388,858	36,442	1,425,300
Deferred Inflows of Resources			
Deferred inflows of resources	283,431	5,773	289,204
Net Position			
Net position			
Net investment in capital assets	318,654	10,874	329,528
Restricted for			
Nonexpendable – endowments	—	45,440	45,440
Expendable			
Scholarships and fellowships	2,111	24,761	26,872
Research	—	—	—
Loans	1,217	—	1,217
Capital projects	50	—	50
Debt service	14	—	14
Others	2,442	—	2,442
Unrestricted	(783,918)	32,648	(751,270)
Total net position	\$ (459,430)	113,723	(345,707)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$119,904)	\$ 75,915	—	—	75,915
Grants and contracts, noncapital				
Federal	—	16,178	—	16,178
State	—	1,691	—	1,691
Local	—	1,624	—	1,624
Nongovernmental	—	3,722	—	3,722
Sales and services of educational activities	76	2,748	—	2,824
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,078)	26,088	5,221	—	31,309
Other operating revenues	9,101	10,932	—	20,033
Total operating revenues	111,180	42,116	—	153,296
Expenses				
Operating expenses				
Instruction	164,896	11,029	—	175,925
Research	2,361	—	—	2,361
Public service	2,708	1,511	—	4,219
Academic support	46,665	2,706	—	49,371
Student services	44,534	8,747	—	53,281
Institutional support	59,345	1,874	—	61,219
Operation and maintenance of plant	38,319	1,930	—	40,249
Student grants and scholarships	104,724	6,754	—	111,478
Auxiliary enterprise expenses	23,107	5,351	—	28,458
Depreciation and amortization	34,967	2,515	—	37,482
Total operating expenses	521,626	42,417	—	564,043
Operating loss	(410,446)	(301)	—	(410,747)
Nonoperating revenues (expenses)				
State appropriations, noncapital	241,504	—	—	241,504
Federal financial aid grants, noncapital	84,667	—	—	84,667
State financial aid grants, noncapital	92,801	—	—	92,801
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	33	—	—	33
Other federal nonoperating grants, noncapital	29,624	—	—	29,624

CALIFORNIA STATE UNIVERSITY, LOS ANGELES
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 35	1,915	—	1,950
Investment income, net	9,214	619	—	9,833
Endowment income, net	—	4,642	—	4,642
Interest expense	(11,785)	(658)	—	(12,443)
Other nonoperating revenues (expenses)	8,058	(648)	—	7,410
Net nonoperating income	454,151	5,870	—	460,021
Income before other revenues	43,705	5,569	—	49,274
State appropriations, capital	(39)	—	—	(39)
Grants and gifts, capital	47	—	—	47
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	43,713	5,569	—	49,282
Net position				
Net position at beginning of year	(503,143)	108,154	—	(394,989)
Net position at end of year	<u>\$ (459,430)</u>	<u>113,723</u>	<u>—</u>	<u>(345,707)</u>

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 81,054
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(97,667)
Payments to employees	(196,083)
Payments for benefits	(96,681)
Payments to students	(106,120)
Collections of student loans	58
Sales and services of educational activities	76
Sales and services of auxiliary enterprises	25,093
Other receipts	4,069
Net cash used in operating activities	<u>(386,201)</u>
Cash flows from noncapital financing activities	
State appropriations	220,841
Federal financial aid grants	85,749
State financial aid grants	93,049
Nongovernmental and other financial aid grants	33
Other federal nonoperating grants	29,624
Gifts and grants received for other than capital purposes	35
Federal loan program receipts	61,267
Federal loan program disbursements	(58,280)
Monies received on behalf of others	20
Monies disbursed on behalf of others	(80)
Principal paid on long-term debt	(1,070)
Interest paid on long-term debt	(134)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	11,573
Net cash provided by noncapital financing activities	<u>442,627</u>

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	139
Capital grants and gifts	94
Proceeds from sale of capital assets	3,493
Acquisition of capital assets	(45,819)
Principal paid on capital debt and leases	(8,714)
Interest paid on capital debt and leases	(12,646)
Principal collection on leases receivable	1,872
Interest collection on leases receivable	480
Net cash used in capital and related financing activities	<u>(61,101)</u>
Cash flows from investing activities	
Proceeds from sales of investments	722,848
Purchases of investments	(722,222)
Investment income proceeds	4,049
Net cash provided by investing activities	<u>4,675</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	<u>7</u>
Cash and cash equivalents at end of year	<u>\$ 7</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (410,446)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	34,967
Change in assets and liabilities	
Accounts receivable, net	(3,840)
Student loans receivable, net	(320)
Prepaid expenses and other current assets	2,770
Other assets	—
Deferred outflows of resources	(75,663)
Accounts payable	(3,832)
Accrued salaries and benefits	1,230
Accrued compensated absences	634
Unearned revenues	9,945
Other postemployment benefits liability	(99,584)
Net pension liability	126,471
Other liabilities	(3,284)
Deferred inflows of resources	34,751
Net cash used in operating activities	<u>\$ (386,201)</u>

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 20,662
Change in unrealized gain on investments	4,652
Gifts in kind - noncapital	35
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	968
Change in capital assets due to implementation of GASB Statement No. 96	—

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, LOS ANGELES

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,994
Payments from discretely presented component units for other than salaries	5,128
Payments to discretely presented component units for services, space, and programs	11,155
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	449
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,212)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	233
Payments to the Office of the Chancellor for state pro rata charges	62
Accounts receivable from the Office of the Chancellor	351
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,441
Other interagency payments (receipts) for services, space, and programs	239

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 516	1,319	1,835
Short-term investments	18,803	6,138	24,941
Accounts receivable, net	2,343	24	2,367
Lease receivable, current portion	—	2,027	2,027
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	55	55
Prepaid expenses and other current assets	730	—	730
Total current assets	22,392	9,563	31,955
Noncurrent assets			
Restricted cash and cash equivalents	—	2,915	2,915
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	646	646
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	106	—	106
Pledge receivable, net	—	107	107
Endowment investments	—	11,115	11,115
Other long-term investments	878	—	878
Capital assets, net	134,160	11,678	145,838
Other assets	8	—	8
Total noncurrent assets	135,152	26,461	161,613
Total assets	157,544	36,024	193,568
Deferred Outflows of Resources			
Deferred outflows of resources	37,475	—	37,475
Liabilities			
Current liabilities			
Accounts payable	1,994	121	2,115
Accrued salaries and benefits	1,939	—	1,939
Accrued compensated absences, current portion	803	—	803
Unearned revenues	310	—	310
Lease liabilities, current portion	24	—	24
SBITA liabilities, current portion	113	—	113
Long-term debt obligations, current portion	1,136	—	1,136
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	20	—	20
Other liabilities	1,459	2,430	3,889
Total current liabilities	7,798	2,551	10,349

CALIFORNIA MARITIME ACADEMY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 1,468	—	1,468
Unearned revenues	—	—	—
Grants refundable	244	—	244
Lease liabilities, net of current portion	12	—	12
SBITA liabilities, net of current portion	95	—	95
Long-term debt obligations, net of current portion	31,215	—	31,215
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	84,154	—	84,154
Net pension liability	60,513	—	60,513
Other liabilities	—	—	—
Total noncurrent liabilities	177,701	—	177,701
Total liabilities	185,499	2,551	188,050
Deferred Inflows of Resources			
Deferred inflows of resources	38,775	2,656	41,431
Net Position			
Net position			
Net investment in capital assets	102,619	11,678	114,297
Restricted for			
Nonexpendable – endowments	—	11,116	11,116
Expendable			
Scholarships and fellowships	65	—	65
Research	—	—	—
Loans	33	—	33
Capital projects	1	—	1
Debt service	1	—	1
Others	3,892	6,504	10,396
Unrestricted	(135,866)	1,519	(134,347)
Total net position	\$ (29,255)	30,817	1,562

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$3,625)	\$ 8,091	—	—	8,091
Grants and contracts, noncapital				
Federal	2,320	—	—	2,320
State	445	—	—	445
Local	—	—	—	—
Nongovernmental	219	—	—	219
Sales and services of educational activities	30	—	—	30
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,081)	8,169	—	—	8,169
Other operating revenues	1,374	8,816	—	10,190
Total operating revenues	20,648	8,816	—	29,464
Expenses				
Operating expenses				
Instruction	24,128	—	—	24,128
Research	1,385	—	—	1,385
Public service	24	—	—	24
Academic support	2,963	—	—	2,963
Student services	12,027	145	—	12,172
Institutional support	12,597	—	—	12,597
Operation and maintenance of plant	11,321	41	—	11,362
Student grants and scholarships	843	505	—	1,348
Auxiliary enterprise expenses	479	13,664	—	14,143
Depreciation and amortization	5,990	3,585	—	9,575
Total operating expenses	71,757	17,940	—	89,697
Operating loss	(51,109)	(9,124)	—	(60,233)
Nonoperating revenues (expenses)				
State appropriations, noncapital	45,347	—	—	45,347
Federal financial aid grants, noncapital	1,408	—	—	1,408
State financial aid grants, noncapital	1,033	—	—	1,033
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	517	—	—	517
Other federal nonoperating grants, noncapital	—	—	—	—

CALIFORNIA MARITIME ACADEMY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ —	1,408	—	1,408
Investment income, net	391	243	—	634
Endowment income, net	—	811	—	811
Interest expense	(990)	—	—	(990)
Other nonoperating revenues	17,859	378	—	18,237
Net nonoperating income	65,565	2,840	—	68,405
Income (loss) before other revenues	14,456	(6,284)	—	8,172
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,908	1,154	—	4,062
Additions (reductions) to permanent endowments	—	—	—	—
Increase (decrease) in net position	17,364	(5,130)	—	12,234
Net position				
Net position at beginning of year	(46,619)	35,947	—	(10,672)
Net position at end of year	\$ (29,255)	30,817	—	1,562

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 8,371
Federal grants and contracts	2,314
State grants and contracts	208
Local grants and contracts	—
Nongovernmental grants and contracts	206
Payments to suppliers	(25,134)
Payments to employees	(28,256)
Payments for benefits	(14,260)
Payments to students	(776)
Collections of student loans	—
Sales and services of educational activities	30
Sales and services of auxiliary enterprises	7,983
Other receipts	1,220
Net cash used in operating activities	<u>(48,094)</u>
Cash flows from noncapital financing activities	
State appropriations	42,703
Federal financial aid grants	1,408
State financial aid grants	1,033
Nongovernmental and other financial aid grants	517
Other federal nonoperating grants	—
Gifts and grants received for other than capital purposes	—
Federal loan program receipts	33
Federal loan program disbursements	(101)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(29)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	17,685
Net cash provided by noncapital financing activities	<u>63,249</u>

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	2,908
Proceeds from sale of capital assets	—
Acquisition of capital assets	(18,305)
Principal paid on capital debt and leases	(823)
Interest paid on capital debt and leases	(1,177)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(17,397)</u>
Cash flows from investing activities	
Proceeds from sales of investments	100,476
Purchases of investments	(98,587)
Investment loss payments	(19)
Net cash provided by investing activities	<u>1,870</u>
Net decrease in cash and cash equivalents	(372)
Cash and cash equivalents at beginning of year, as restated	888
Cash and cash equivalents at end of year	<u>\$ 516</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (51,109)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	5,990
Change in assets and liabilities	
Accounts receivable, net	(315)
Student loans receivable, net	—
Prepaid expenses and other current assets	(276)
Other assets	—
Deferred outflows of resources	(13,506)
Accounts payable	632
Accrued salaries and benefits	(154)
Accrued compensated absences	(27)
Unearned revenues	(216)
Other postemployment benefits liability	(15,464)
Net pension liability	20,359
Other liabilities	442
Deferred inflows of resources	5,550
Net cash used in operating activities	<u>\$ (48,094)</u>

CALIFORNIA MARITIME ACADEMY

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 2,643
Change in unrealized gain on investments	408
Gifts in kind - noncapital	—
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	146
Change in capital assets due to implementation of GASB Statement No. 96	244

See accompanying independent auditors' report.

CALIFORNIA MARITIME ACADEMY

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 25
Payments from discretely presented component units for other than salaries	124
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	8
Gifts (cash or assets) from discretely presented component units	4,543
Accounts receivable from discretely presented component units	—
Other amounts receivable from discretely presented component units	112
Accounts payable to discretely presented component units	(14)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	37
Payments to the Office of the Chancellor for state pro rata charges	10
Accounts receivable from the Office of the Chancellor	857
Accounts receivable from campuses other than the Office of the Chancellor	3
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	338
Other interagency payments (receipts) for services, space, and programs	187

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 5	13,729	13,734
Short-term investments	71,112	373	71,485
Accounts receivable, net	13,681	13,962	27,643
Lease receivable, current portion	3,440	440	3,880
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	296	296
Prepaid expenses and other current assets	1,292	3,967	5,259
Total current assets	89,530	32,767	122,297
Noncurrent assets			
Restricted cash and cash equivalents	—	450	450
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	41,604	1,246	42,850
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	69	—	69
Pledge receivable, net	—	196	196
Endowment investments	—	35,043	35,043
Other long-term investments	6,368	48,744	55,112
Capital assets, net	342,218	145,369	487,587
Other assets	10	40	50
Total noncurrent assets	390,269	231,088	621,357
Total assets	479,799	263,855	743,654
Deferred Outflows of Resources			
Deferred outflows of resources	104,419	—	104,419
Liabilities			
Current liabilities			
Accounts payable	5,394	16,601	21,995
Accrued salaries and benefits	8,075	1,032	9,107
Accrued compensated absences, current portion	2,654	678	3,332
Unearned revenues	6,261	6,899	13,160
Lease liabilities, current portion	8	4,387	4,395
SBITA liabilities, current portion	99	40	139
Long-term debt obligations, current portion	4,390	1,205	5,595
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	2,078	130	2,208
Total current liabilities	28,959	30,972	59,931

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 4,264	—	4,264
Unearned revenues	—	—	—
Grants refundable	—	—	—
Lease liabilities, net of current portion	—	43,698	43,698
SBITA liabilities, net of current portion	101	79	180
Long-term debt obligations, net of current portion	84,099	77,262	161,361
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	388	388
Other postemployment benefits liability	230,905	—	230,905
Net pension liability	173,880	—	173,880
Other liabilities	—	—	—
Total noncurrent liabilities	493,249	121,427	614,676
Total liabilities	522,208	152,399	674,607
Deferred Inflows of Resources			
Deferred inflows of resources	139,602	1,654	141,256
Net Position			
Net position			
Net investment in capital assets	254,679	26,530	281,209
Restricted for			
Nonexpendable – endowments	—	17,737	17,737
Expendable			
Scholarships and fellowships	785	11,751	12,536
Research	—	30	30
Loans	105	—	105
Capital projects	527	—	527
Debt service	3	—	3
Others	156	14,462	14,618
Unrestricted	(333,847)	39,292	(294,555)
Total net position	\$ (77,592)	109,802	32,210

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$24,327)	\$ 39,324	—	—	39,324
Grants and contracts, noncapital				
Federal	—	17,365	—	17,365
State	—	3,628	—	3,628
Local	—	114	—	114
Nongovernmental	—	2,899	—	2,899
Sales and services of educational activities	—	—	—	—
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$—)	33,776	1,357	—	35,133
Other operating revenues	12,405	54,544	—	66,949
Total operating revenues	85,505	79,907	—	165,412
Expenses				
Operating expenses				
Instruction	68,149	158	—	68,307
Research	1,596	7,358	—	8,954
Public service	913	9,788	—	10,701
Academic support	21,748	4,356	—	26,104
Student services	29,829	2,277	—	32,106
Institutional support	25,171	6,163	—	31,334
Operation and maintenance of plant	30,799	528	(598)	30,729
Student grants and scholarships	21,770	4,655	—	26,425
Auxiliary enterprise expenses	32,908	36,318	—	69,226
Depreciation and amortization	20,876	11,409	—	32,285
Total operating expenses	253,759	83,010	(598)	336,171
Operating loss	(168,254)	(3,103)	598	(170,759)
Nonoperating revenues (expenses)				
State appropriations, noncapital	111,667	—	—	111,667
Federal financial aid grants, noncapital	15,128	—	—	15,128
State financial aid grants, noncapital	17,111	—	—	17,111
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	1	—	—	1

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 1,275	4,560	—	5,835
Investment income, net	10,836	3,997	—	14,833
Endowment income, net	—	3,303	—	3,303
Interest expense	(2,654)	(3,820)	—	(6,474)
Other nonoperating revenues (expenses)	(5,967)	909	—	(5,058)
Net nonoperating income	147,397	8,949	—	156,346
Income (loss) before other revenues	(20,857)	5,846	598	(14,413)
State appropriations, capital	—	—	—	—
Grants and gifts, capital	598	—	(598)	—
Additions to permanent endowments	—	935	—	935
Increase (Decrease) in net position	(20,259)	6,781	—	(13,478)
Net position				
Net position at beginning of year	(57,333)	103,021	—	45,688
Net position at end of year	\$ (77,592)	109,802	—	32,210

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 39,178
Federal grants and contracts	40
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(75,700)
Payments to employees	(85,115)
Payments for benefits	(43,277)
Payments to students	(21,775)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	33,776
Other receipts	12,343
Net cash used in operating activities	<u>(140,530)</u>
Cash flows from noncapital financing activities	
State appropriations	103,891
Federal financial aid grants	15,128
State financial aid grants	17,112
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	1
Gifts and grants received for other than capital purposes	1,275
Federal loan program receipts	—
Federal loan program disbursements	(240)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Principal paid on long-term debt	(2,925)
Interest paid on long-term debt	(172)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	(7,658)
Net cash provided by noncapital financing activities	<u>126,412</u>

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	165
Proceeds from sale of capital assets	2,687
Acquisition of capital assets	(6,635)
Principal paid on capital debt and leases	(1,008)
Interest paid on capital debt and leases	(2,901)
Principal collection on leases receivable	87
Interest collection on leases receivable	863
Net cash used in capital and related financing activities	<u>(6,742)</u>
Cash flows from investing activities	
Proceeds from sales of investments	307,547
Purchases of investments	(294,942)
Investment income proceeds	8,255
Net cash provided by investing activities	<u>20,860</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	5
Cash and cash equivalents at end of year	<u>\$ 5</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (168,254)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	20,876
Change in assets and liabilities	
Accounts receivable, net	1,180
Student loans receivable, net	(4)
Prepaid expenses and other current assets	217
Other assets	—
Deferred outflows of resources	(36,508)
Accounts payable	(1,057)
Accrued salaries and benefits	413
Accrued compensated absences	877
Unearned revenues	2,651
Other postemployment benefits liability	(29,554)
Net pension liability	62,191
Other liabilities	158
Deferred inflows of resources	6,284
Net cash used in operating activities	<u>\$ (140,530)</u>

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 7,776
Change in unrealized gain on investments	1,715
Gifts in kind - noncapital	1,275
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	408
Change in capital assets due to implementation of GASB Statement No. 96	110

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, MONTEREY BAY

Transactions with Related Entities

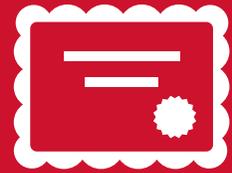
Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 2,039
Payments from discretely presented component units for other than salaries	4,610
Payments to discretely presented component units for services, space, and programs	—
Gifts in kind from discretely presented component units	835
Gifts (cash or assets) from discretely presented component units	7,100
Accounts receivable from discretely presented component units	11,080
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(873)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	95
Payments to the Office of the Chancellor for state pro rata charges	50
Accounts receivable from the Office of the Chancellor	34
Accounts receivable from campuses other than the Office of the Chancellor	34
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	920
Other interagency payments (receipts) for services, space, and programs	(161)

See accompanying independent auditors' report.

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Americans with a college degree earned it at the CSU



CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 14	41,594	41,608
Short-term investments	413,854	106,096	519,950
Accounts receivable, net	15,872	12,287	28,159
Lease receivable, current portion	626	—	626
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	5	5
Pledge receivable, net	—	25,984	25,984
Prepaid expenses and other current assets	4,122	867	4,989
Total current assets	434,488	186,833	621,321
Noncurrent assets			
Restricted cash and cash equivalents	—	8,860	8,860
Accounts receivable, net	—	1,118	1,118
Lease receivable, net of current portion	3,500	416	3,916
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	23	23
Student loans receivable, net	711	—	711
Pledge receivable, net	—	—	—
Endowment investments	—	194,983	194,983
Other long-term investments	108,879	22,373	131,252
Capital assets, net	506,364	31,128	537,492
Other assets	33	24	57
Total noncurrent assets	619,487	258,925	878,412
Total assets	1,053,975	445,758	1,499,733
Deferred Outflows of Resources			
Deferred outflows of resources	361,172	—	361,172
Liabilities			
Current liabilities			
Accounts payable	20,118	3,860	23,978
Accrued salaries and benefits	32,136	1,913	34,049
Accrued compensated absences, current portion	10,373	1,143	11,516
Unearned revenues	40,132	4,608	44,740
Lease liabilities, current portion	328	600	928
SBITA liabilities, current portion	1,006	—	1,006
Long-term debt obligations, current portion	5,910	265	6,175
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	122	5,385	5,507
Other liabilities	4,018	—	4,018
Total current liabilities	114,143	17,774	131,917

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 10,244	255	10,499
Unearned revenues	—	—	—
Grants refundable	824	—	824
Lease liabilities, net of current portion	2,537	4,117	6,654
SBITA liabilities, net of current portion	781	—	781
Long-term debt obligations, net of current portion	126,959	3,376	130,335
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	882,101	4,379	886,480
Net pension liability	566,442	—	566,442
Other liabilities	602	—	602
Total noncurrent liabilities	1,590,490	12,127	1,602,617
Total liabilities	1,704,633	29,901	1,734,534
Deferred Inflows of Resources			
Deferred inflows of resources	389,097	—	389,097
Net Position			
Net position			
Net investment in capital assets	370,973	17,775	388,748
Restricted for			
Nonexpendable – endowments	—	120,289	120,289
Expendable			
Scholarships and fellowships	1,955	30,773	32,728
Research	—	—	—
Loans	1,165	—	1,165
Capital projects	—	9,781	9,781
Debt service	7	—	7
Others	135	90,008	90,143
Unrestricted	(1,052,818)	147,231	(905,587)
Total net position	\$ (678,583)	415,857	(262,726)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$163,630)	\$ 136,036	—	—	136,036
Grants and contracts, noncapital				
Federal	1,371	26,570	—	27,941
State	—	6,717	—	6,717
Local	—	918	—	918
Nongovernmental	—	3,744	—	3,744
Sales and services of educational activities	1,232	—	—	1,232
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$9,037)	27,529	10,885	—	38,414
Other operating revenues	21,297	29,712	—	51,009
Total operating revenues	187,465	78,546	—	266,011
Expenses				
Operating expenses				
Instruction	239,944	—	—	239,944
Research	3,210	31,713	—	34,923
Public service	1,572	2,232	—	3,804
Academic support	65,092	7,817	—	72,909
Student services	104,543	24,167	—	128,710
Institutional support	59,629	8,822	(3,430)	65,021
Operation and maintenance of plant	58,394	1,870	—	60,264
Student grants and scholarships	124,361	2,780	—	127,141
Auxiliary enterprise expenses	19,373	13,897	—	33,270
Depreciation and amortization	31,629	2,315	—	33,944
Total operating expenses	707,747	95,613	(3,430)	799,930
Operating loss	(520,282)	(17,067)	3,430	(533,919)
Nonoperating revenues (expenses)				
State appropriations, noncapital	366,132	—	—	366,132
Federal financial aid grants, noncapital	102,616	—	—	102,616
State financial aid grants, noncapital	104,813	—	—	104,813
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	3,929	—	—	3,929
Other federal nonoperating grants, noncapital	20,501	—	—	20,501

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), continued				
Gifts, noncapital	\$ 2,474	17,077	(2,447)	17,104
Investment income, net	14,301	16,897	—	31,198
Endowment income, net	—	12,649	—	12,649
Interest expense	(4,918)	—	—	(4,918)
Other nonoperating revenues	32,816	1,495	—	34,311
Net nonoperating income	642,664	48,118	(2,447)	688,335
Income before other revenues	122,382	31,051	983	154,416
State appropriations, capital	—	—	—	—
Grants and gifts, capital	983	—	(983)	—
Additions to permanent endowments	—	1,354	—	1,354
Increase in net position	123,365	32,405	—	155,770
Net position				
Net position at beginning of year	(801,948)	383,452	—	(418,496)
Net position at end of year	\$ (678,583)	415,857	—	(262,726)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 124,956
Federal grants and contracts	1,371
State grants and contracts	15,064
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(121,084)
Payments to employees	(298,519)
Payments for benefits	(142,069)
Payments to students	(124,395)
Collections of student loans	—
Sales and services of educational activities	1,232
Sales and services of auxiliary enterprises	27,801
Other receipts	20,265
Net cash used in operating activities	<u>(495,378)</u>
Cash flows from noncapital financing activities	
State appropriations	336,538
Federal financial aid grants	102,616
State financial aid grants	104,813
Nongovernmental and other financial aid grants	3,930
Other federal nonoperating grants	20,501
Gifts and grants received for other than capital purposes	2,474
Federal loan program receipts	89,237
Federal loan program disbursements	(89,279)
Monies received on behalf of others	—
Monies disbursed on behalf of others	(116)
Principal paid on long-term debt	(535)
Interest paid on long-term debt	(103)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	31,432
Net cash provided by noncapital financing activities	<u>601,508</u>

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(50,085)
Principal paid on capital debt and leases	(7,386)
Interest paid on capital debt and leases	(5,443)
Principal collection on leases receivable	565
Interest collection on leases receivable	18
Net cash used in capital and related financing activities	<u>(62,331)</u>
Cash flows from investing activities	
Proceeds from sales of investments	1,018,532
Purchases of investments	(1,069,235)
Investment income proceeds	6,904
Net cash used in investing activities	<u>(43,799)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	14
Cash and cash equivalents at end of year	<u>\$ 14</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (520,282)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	31,629
Change in assets and liabilities	
Accounts receivable, net	(8,981)
Student loans receivable, net	45
Prepaid expenses and other current assets	561
Other assets	—
Deferred outflows of resources	(123,393)
Accounts payable	(972)
Accrued salaries and benefits	1,379
Accrued compensated absences	858
Unearned revenues	12,349
Other postemployment benefits liability	(140,757)
Net pension liability	192,327
Other liabilities	(383)
Deferred inflows of resources	60,242
Net cash used in operating activities	<u>\$ (495,378)</u>

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 29,594
Change in unrealized gain on investments	7,393
Gifts in kind - noncapital	2,474
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	771
Change in capital assets due to implementation of GASB Statement No. 96	655

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,549
Payments from discretely presented component units for other than salaries	8,699
Payments to discretely presented component units for services, space, and programs	19,937
Gifts in kind from discretely presented component units	447
Gifts (cash or assets) from discretely presented component units	2,983
Accounts receivable from discretely presented component units	173
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(1,288)
Other amounts payable to discretely presented component units	(1,475)
Payments to the Office of the Chancellor for administrative activities	342
Payments to the Office of the Chancellor for state pro rata charges	135
Accounts receivable from the Office of the Chancellor	7,940
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	3,118
Other interagency payments (receipts) for services, space, and programs	66

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 1,274	17,790	19,064
Short-term investments	362,958	126,394	489,352
Accounts receivable, net	8,149	15,040	23,189
Lease receivable, current portion	1,312	880	2,192
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	1,504	1,504
Prepaid expenses and other current assets	3,795	2,446	6,241
Total current assets	377,488	164,054	541,542
Noncurrent assets			
Restricted cash and cash equivalents	—	1,798	1,798
Accounts receivable, net	—	2,709	2,709
Lease receivable, net of current portion	17,691	93,066	110,757
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	2,086	—	2,086
Pledge receivable, net	—	2,278	2,278
Endowment investments	—	163,701	163,701
Other long-term investments	81,015	1,433	82,448
Capital assets, net	674,868	50,543	725,411
Other assets	10	—	10
Total noncurrent assets	775,670	315,528	1,091,198
Total assets	1,153,158	479,582	1,632,740
Deferred Outflows of Resources			
Deferred outflows of resources	272,167	9,792	281,959
Liabilities			
Current liabilities			
Accounts payable	15,714	5,989	21,703
Accrued salaries and benefits	29,087	1,191	30,278
Accrued compensated absences, current portion	6,920	1,071	7,991
Unearned revenues	20,861	1,970	22,831
Lease liabilities, current portion	39	1,345	1,384
SBITA liabilities, current portion	570	—	570
Long-term debt obligations, current portion	12,965	—	12,965
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	178	178
Other liabilities	8,672	3,468	12,140
Total current liabilities	94,828	15,212	110,040

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 5,553	103	5,656
Unearned revenues	—	—	—
Grants refundable	1,879	—	1,879
Lease liabilities, net of current portion	44	17,655	17,699
SBITA liabilities, net of current portion	295	—	295
Long-term debt obligations, net of current portion	333,334	—	333,334
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	652,953	8,254	661,207
Net pension liability	414,686	16,752	431,438
Other liabilities	—	959	959
Total noncurrent liabilities	1,408,744	43,723	1,452,467
Total liabilities	1,503,572	58,935	1,562,507
Deferred Inflows of Resources			
Deferred inflows of resources	299,370	96,500	395,870
Net Position			
Net position			
Net investment in capital assets	335,113	32,523	367,636
Restricted for			
Nonexpendable – endowments	—	108,243	108,243
Expendable			
Scholarships and fellowships	124	7,306	7,430
Research	—	—	—
Loans	1,306	222	1,528
Capital projects	—	—	—
Debt service	25	—	25
Others	137	61,672	61,809
Unrestricted	(714,322)	123,973	(590,349)
Total net position	\$ (377,617)	333,939	(43,678)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$108,207)	\$ 117,173	—	—	117,173
Grants and contracts, noncapital				
Federal	—	15,224	—	15,224
State	295	2,689	—	2,984
Local	—	—	—	—
Nongovernmental	—	1,180	—	1,180
Sales and services of educational activities	—	19,232	—	19,232
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,881)	46,965	50,670	—	97,635
Other operating revenues	11,148	30,984	—	42,132
Total operating revenues	175,581	119,979	—	295,560
Expenses				
Operating expenses				
Instruction	185,451	11,947	—	197,398
Research	1,484	8,120	—	9,604
Public service	79	137	—	216
Academic support	40,245	8,080	—	48,325
Student services	68,420	19,682	—	88,102
Institutional support	46,231	2,626	—	48,857
Operation and maintenance of plant	45,442	36	—	45,478
Student grants and scholarships	72,043	2,682	(3,492)	71,233
Auxiliary enterprise expenses	38,111	55,487	—	93,598
Depreciation and amortization	35,854	4,099	—	39,953
Total operating expenses	533,360	112,896	(3,492)	642,764
Operating income (loss)	(357,779)	7,083	3,492	(347,204)
Nonoperating revenues (expenses)				
State appropriations, noncapital	259,547	—	—	259,547
Federal financial aid grants, noncapital	64,737	—	—	64,737
State financial aid grants, noncapital	71,354	—	—	71,354
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,994	—	—	1,994
Other federal nonoperating grants, noncapital	47,683	—	—	47,683

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 5,501	14,852	(3,639)	16,714
Investment income, net	9,495	7,327	—	16,822
Endowment income, net	—	14,180	—	14,180
Interest expense	(11,399)	(1,294)	—	(12,693)
Other nonoperating revenues (expenses)	13,831	(1,043)	6,414	19,202
Net nonoperating income	462,743	34,022	2,775	499,540
Income before other revenues	104,964	41,105	6,267	152,336
State appropriations, capital	—	—	—	—
Grants and gifts, capital	7,141	—	(6,267)	874
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	112,105	41,105	—	153,210
Net position				
Net position at beginning of year	(489,722)	292,834	—	(196,888)
Net position at end of year	\$ (377,617)	333,939	—	(43,678)

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows
Year ended June 30, 2023
(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 114,008
Federal grants and contracts	—
State grants and contracts	13,426
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(113,858)
Payments to employees	(208,633)
Payments for benefits	(106,798)
Payments to students	(71,937)
Collections of student loans	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises	46,058
Other receipts	9,128
Net cash used in operating activities	<u>(318,606)</u>
Cash flows from noncapital financing activities	
State appropriations	236,484
Federal financial aid grants	66,724
State financial aid grants	71,358
Nongovernmental and other financial aid grants	1,994
Other federal nonoperating grants	47,683
Gifts and grants received for other than capital purposes	6,064
Federal loan program receipts	58,251
Federal loan program disbursements	(58,310)
Monies received on behalf of others	4,983
Monies disbursed on behalf of others	(5,000)
Principal paid on long-term debt	(1,280)
Interest paid on long-term debt	(166)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	17,477
Net cash provided by noncapital financing activities	<u>446,262</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows
Year ended June 30, 2023
(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	22
Acquisition of capital assets	(23,374)
Principal paid on capital debt and leases	(17,888)
Interest paid on capital debt and leases	(12,546)
Principal collection on leases receivable	1,284
Interest collection on leases receivable	394
Net cash used in capital and related financing activities	<u>(52,108)</u>
Cash flows from investing activities	
Proceeds from sales of investments	767,655
Purchases of investments	(846,238)
Investment income proceeds	4,298
Net cash used in investing activities	<u>(74,285)</u>
Net increase in cash and cash equivalents	1,263
Cash and cash equivalents at beginning of year, as restated	11
Cash and cash equivalents at end of year	<u>\$ 1,274</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (357,779)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	35,854
Change in assets and liabilities	
Accounts receivable, net	(812)
Student loans receivable, net	(76)
Prepaid expenses and other current assets	906
Other assets	—
Deferred outflows of resources	(80,548)
Accounts payable	(1,497)
Accrued salaries and benefits	113
Accrued compensated absences	534
Unearned revenues	12,188
Other postemployment benefits liability	(104,540)
Net pension liability	137,905
Other liabilities	(161)
Deferred inflows of resources	39,307
Net cash used in operating activities	<u>\$ (318,606)</u>

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Statement of Cash Flows
 Year ended June 30, 2023
 (In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 23,063
Change in unrealized gain on investments	4,792
Gifts in kind - noncapital	5,501
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	92
Amortization of net bond premium	1,844
Change in capital assets due to implementation of GASB Statement No. 96	1,392

See accompanying independent auditors' report.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 845
Payments from discretely presented component units for other than salaries	16,435
Payments to discretely presented component units for services, space, and programs	57,382
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	6,414
Accounts receivable from discretely presented component units	3,080
Other amounts receivable from discretely presented component units	22
Accounts payable to discretely presented component units	(6,334)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	414
Payments to the Office of the Chancellor for state pro rata charges	70
Accounts receivable from the Office of the Chancellor	955
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(2)
State lottery allocation received	2,264
Other interagency payments (receipts) for services, space, and programs	(22)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 24	17,794	17,818
Short-term investments	213,480	43,461	256,941
Accounts receivable, net	27,920	44,900	72,820
Lease receivable, current portion	288	9,155	9,443
P3 receivable, current portion	—	—	—
Notes receivable, current portion	615	211	826
Pledge receivable, net	—	1,511	1,511
Prepaid expenses and other current assets	4,294	921	5,215
Total current assets	246,621	117,953	364,574
Noncurrent assets			
Restricted cash and cash equivalents	—	3,798	3,798
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	1,067	104,117	105,184
P3 receivable, current portion	—	—	—
Notes receivable, net of current portion	11,585	844	12,429
Student loans receivable, net	1,755	—	1,755
Pledge receivable, net	—	—	—
Endowment investments	14	74,590	74,604
Other long-term investments	78,239	39,263	117,502
Capital assets, net	634,810	100,729	735,539
Other assets	8	304	312
Total noncurrent assets	727,478	323,645	1,051,123
Total assets	974,099	441,598	1,415,697
Deferred Outflows of Resources			
Deferred outflows of resources	323,888	10,820	334,708
Liabilities			
Current liabilities			
Accounts payable	19,333	17,834	37,167
Accrued salaries and benefits	27,593	5,745	33,338
Accrued compensated absences, current portion	9,849	1,972	11,821
Unearned revenues	34,159	2,737	36,896
Lease liabilities, current portion	7,151	1,023	8,174
SBITA liabilities, current portion	1,197	137	1,334
Long-term debt obligations, current portion	10,804	4,844	15,648
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	1,015	1,189	2,204
Other liabilities	4,613	3,814	8,427
Total current liabilities	115,714	39,295	155,009

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 5,648	163	5,811
Unearned revenues	—	5,554	5,554
Grants refundable	3,107	8,777	11,884
Lease liabilities, net of current portion	111,264	1,192	112,456
SBITA liabilities, net of current portion	887	228	1,115
Long-term debt obligations, net of current portion	235,473	63,369	298,842
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	827,329	6,877	834,206
Net pension liability	480,756	22,225	502,981
Other liabilities	17	—	17
Total noncurrent liabilities	1,664,481	108,385	1,772,866
Total liabilities	1,780,195	147,680	1,927,875
Deferred Inflows of Resources			
Deferred inflows of resources	353,089	116,858	469,947
Net Position			
Net position			
Net investment in capital assets	296,399	38,230	334,629
Restricted for			
Nonexpendable – endowments	14	77,427	77,441
Expendable			
Scholarships and fellowships	1,467	5,799	7,266
Research	—	—	—
Loans	1,285	—	1,285
Capital projects	13	—	13
Debt service	13	3,484	3,497
Others	583	14,867	15,450
Unrestricted	(1,135,071)	48,073	(1,086,998)
Total net position	\$ (835,297)	187,880	(647,417)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$123,687)	\$ 161,000	—	—	161,000
Grants and contracts, noncapital				
Federal	131	13,804	—	13,935
State	100	40,548	—	40,648
Local	33	3,177	—	3,210
Nongovernmental	—	5,553	—	5,553
Sales and services of educational activities	3,715	17,621	—	21,336
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$7,611)	29,768	31,109	(3,255)	57,622
Other operating revenues	19,382	33,353	—	52,735
Total operating revenues	214,129	145,165	(3,255)	356,039
Expenses				
Operating expenses				
Instruction	229,186	8,144	—	237,330
Research	3,131	29,178	—	32,309
Public service	1,101	38,915	—	40,016
Academic support	48,546	4,838	—	53,384
Student services	85,431	15,216	—	100,647
Institutional support	55,137	42,041	(4,159)	93,019
Operation and maintenance of plant	47,203	7,632	—	54,835
Student grants and scholarships	111,885	3,491	—	115,376
Auxiliary enterprise expenses	28,779	6,359	—	35,138
Depreciation and amortization	46,352	7,271	—	53,623
Total operating expenses	656,751	163,085	(4,159)	815,677
Operating loss	(442,622)	(17,920)	904	(459,638)
Nonoperating revenues (expenses)				
State appropriations, noncapital	273,775	—	—	273,775
Federal financial aid grants, noncapital	78,453	—	—	78,453
State financial aid grants, noncapital	102,306	—	—	102,306
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	11,289	—	—	11,289

CALIFORNIA STATE UNIVERSITY, SACRAMENTO
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 1,971	7,474	(490)	8,955
Investment income, net	9,311	11,836	—	21,147
Endowment income, net	—	3,921	—	3,921
Interest expense	(12,041)	(2,307)	—	(14,348)
Other nonoperating revenues (expenses)	(8,592)	12,857	—	4,265
Net nonoperating income	456,472	33,781	(490)	489,763
Income before other revenues	13,850	15,861	414	30,125
State appropriations, capital	—	—	—	—
Grants and gifts, capital	2,310	—	(414)	1,896
Additions to permanent endowments	—	4,405	—	4,405
Increase in net position	16,160	20,266	—	36,426
Net position				
Net position at beginning of year	(851,457)	167,614	—	(683,843)
Net position at end of year	\$ (835,297)	187,880	—	(647,417)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 166,959
Federal grants and contracts	133
State grants and contracts	17
Local grants and contracts	20
Nongovernmental grants and contracts	—
Payments to suppliers	(109,535)
Payments to employees	(256,318)
Payments for benefits	(127,619)
Payments to students	(111,956)
Collections of student loans	28
Sales and services of educational activities	3,857
Sales and services of auxiliary enterprises	29,492
Other receipts	20,531
	<hr/>
Net cash used in operating activities	(384,391)
Cash flows from noncapital financing activities	
State appropriations	245,762
Federal financial aid grants	78,453
State financial aid grants	102,306
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	20,323
Gifts and grants received for other than capital purposes	1,971
Federal loan program receipts	82,959
Federal loan program disbursements	(82,941)
Monies received on behalf of others	10,188
Monies disbursed on behalf of others	(10,075)
Principal paid on long-term debt	(585)
Interest paid on long-term debt	(37)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	631
Interest collections on notes receivable	596
Other noncapital financing activities	244
	<hr/>
Net cash provided by noncapital financing activities	449,795

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	1,710
Proceeds from sale of capital assets	134
Acquisition of capital assets	(17,527)
Principal paid on capital debt and leases	(17,934)
Interest paid on capital debt and leases	(11,710)
Principal collection on leases receivable	316
Interest collection on leases receivable	24
Net cash used in capital and related financing activities	<u>(44,987)</u>
Cash flows from investing activities	
Proceeds from sales of investments	889,819
Purchases of investments	(914,789)
Investment income proceeds	4,553
Net cash used in investing activities	<u>(20,417)</u>
Net increase (decrease) in cash and cash equivalents	—
Cash and cash equivalents at beginning of year, as restated	24
Cash and cash equivalents at end of year	<u>\$ 24</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (442,622)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	46,352
Change in assets and liabilities	
Accounts receivable, net	(8,935)
Student loans receivable, net	(95)
Prepaid expenses and other current assets	(248)
Other assets	—
Deferred outflows of resources	(101,360)
Accounts payable	9,294
Accrued salaries and benefits	801
Accrued compensated absences	972
Unearned revenues	10,136
Other postemployment benefits liability	(123,243)
Net pension liability	162,533
Other liabilities	(263)
Deferred inflows of resources	62,287
Net cash used in operating activities	<u>\$ (384,391)</u>

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 28,013
Change in unrealized gain on investments	4,126
Gifts in kind - noncapital	1,971
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	11,925
Amortization of net bond premium	1,519
Change in capital assets due to implementation of GASB Statement No. 96	119

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 6,040
Payments from discretely presented component units for other than salaries	3,565
Payments to discretely presented component units for services, space, and programs	8,078
Gifts in kind from discretely presented component units	30
Gifts (cash or assets) from discretely presented component units	859
Accounts receivable from discretely presented component units	9,040
Other amounts receivable from discretely presented component units	1,714
Accounts payable to discretely presented component units	(8,395)
Other amounts payable to discretely presented component units	(681)
Payments to the Office of the Chancellor for administrative activities	379
Payments to the Office of the Chancellor for state pro rata charges	149
Accounts receivable from the Office of the Chancellor	185
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,760
Other interagency payments (receipts) for services, space, and programs	72

See accompanying independent auditors' report.



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CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 12	3,677	3,689
Short-term investments	103,480	38,869	142,349
Accounts receivable, net	22,216	13,734	35,950
Lease receivable, current portion	—	254	254
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	1,261	1,261
Prepaid expenses and other current assets	3,540	560	4,100
Total current assets	129,248	58,355	187,603
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	692	692
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,457	—	1,457
Pledge receivable, net	—	2,407	2,407
Endowment investments	—	51,173	51,173
Other long-term investments	123,939	1,030	124,969
Capital assets, net	543,551	7,683	551,234
Other assets	9	539	548
Total noncurrent assets	668,956	63,524	732,480
Total assets	798,204	121,879	920,083
Deferred Outflows of Resources			
Deferred outflows of resources	197,505	6,260	203,765
Liabilities			
Current liabilities			
Accounts payable	13,983	5,365	19,348
Accrued salaries and benefits	16,439	1,157	17,596
Accrued compensated absences, current portion	5,402	590	5,992
Unearned revenues	7,030	7,994	15,024
Lease liabilities, current portion	345	988	1,333
SBITA liabilities, current portion	1,422	—	1,422
Long-term debt obligations, current portion	8,555	—	8,555
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	11,181	1,256	12,437
Total current liabilities	64,357	17,350	81,707

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 7,398	54	7,452
Unearned revenues	8,367	2,707	11,074
Grants refundable	939	—	939
Lease liabilities, net of current portion	727	3,188	3,915
SBITA liabilities, net of current portion	1,696	—	1,696
Long-term debt obligations, net of current portion	285,913	—	285,913
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	467,558	492	468,050
Net pension liability	313,220	8,136	321,356
Other liabilities	155	—	155
Total noncurrent liabilities	1,085,973	14,577	1,100,550
Total liabilities	1,150,330	31,927	1,182,257
Deferred Inflows of Resources			
Deferred inflows of resources	205,717	3,347	209,064
Net Position			
Net position			
Net investment in capital assets	247,990	3,566	251,556
Restricted for			
Nonexpendable – endowments	—	51,217	51,217
Expendable			
Scholarships and fellowships	—	—	—
Research	—	—	—
Loans	1,426	—	1,426
Capital projects	1,369	—	1,369
Debt service	789	—	789
Others	200	18,330	18,530
Unrestricted	(612,112)	19,752	(592,360)
Total net position	\$ (360,338)	92,865	(267,473)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$100,566)	\$ 62,970	—	—	62,970
Grants and contracts, noncapital				
Federal	—	21,981	—	21,981
State	—	12,667	—	12,667
Local	—	4,820	—	4,820
Nongovernmental	—	686	—	686
Sales and services of educational activities	95	—	—	95
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$6,924)	10,769	642	—	11,411
Other operating revenues	9,506	13,337	—	22,843
Total operating revenues	83,340	54,133	—	137,473
Expenses				
Operating expenses				
Instruction	145,483	710	—	146,193
Research	573	14,883	—	15,456
Public service	1,650	11,945	—	13,595
Academic support	22,891	19	—	22,910
Student services	38,823	16,997	—	55,820
Institutional support	51,765	10,256	—	62,021
Operation and maintenance of plant	39,106	—	—	39,106
Student grants and scholarships	41,181	1,429	(1,480)	41,130
Auxiliary enterprise expenses	13,363	1,429	—	14,792
Depreciation and amortization	30,218	1,673	—	31,891
Total operating expenses	385,053	59,341	(1,480)	442,914
Operating loss	(301,713)	(5,208)	1,480	(305,441)
Nonoperating revenues (expenses)				
State appropriations, noncapital	276,892	—	—	276,892
Federal financial aid grants, noncapital	54,706	—	—	54,706
State financial aid grants, noncapital	50,217	—	—	50,217
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	1,560	—	(1,480)	80
Other federal nonoperating grants, noncapital	7,659	—	—	7,659

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 49	2,551	—	2,600
Investment income, net	3,219	644	—	3,863
Endowment income, net	—	4,908	—	4,908
Interest expense	(10,116)	(1)	—	(10,117)
Other nonoperating revenues	46,727	767	—	47,494
Net nonoperating income	430,913	8,869	(1,480)	438,302
Income before other revenues	129,200	3,661	—	132,861
State appropriations, capital	—	—	—	—
Grants and gifts, capital	348	—	—	348
Additions to permanent endowments	—	1,376	—	1,376
Increase in net position	129,548	5,037	—	134,585
Net position				
Net position at beginning of year	(489,886)	87,828	—	(402,058)
Net position at end of year	\$ (360,338)	92,865	—	(267,473)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 63,125
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(73,009)
Payments to employees	(165,336)
Payments for benefits	(81,482)
Payments to students	(40,134)
Collections of student loans	32
Sales and services of educational activities	1,287
Sales and services of auxiliary enterprises	12,076
Other receipts	11,313
Net cash used in operating activities	<u>(272,128)</u>
Cash flows from noncapital financing activities	
State appropriations	260,613
Federal financial aid grants	54,936
State financial aid grants	57,278
Nongovernmental and other financial aid grants	1,560
Other federal nonoperating grants	7,659
Gifts and grants received for other than capital purposes	49
Federal loan program receipts	48,433
Federal loan program disbursements	(48,325)
Monies received on behalf of others	4,163
Monies disbursed on behalf of others	(4,153)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	46,007
Net cash provided by noncapital financing activities	<u>428,220</u>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	348
Proceeds from sale of capital assets	—
Acquisition of capital assets	(38,845)
Principal paid on capital debt and leases	(9,667)
Interest paid on capital debt and leases	(11,486)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(59,650)</u>
Cash flows from investing activities	
Proceeds from sales of investments	582,594
Purchases of investments	(681,711)
Investment income proceeds	2,668
Net cash used in investing activities	<u>(96,449)</u>
Net decrease in cash and cash equivalents	(7)
Cash and cash equivalents at beginning of year, as restated	19
Cash and cash equivalents at end of year	<u>\$ 12</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (301,713)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	30,218
Change in assets and liabilities	
Accounts receivable, net	4,292
Student loans receivable, net	(142)
Prepaid expenses and other current assets	(1,458)
Other assets	—
Deferred outflows of resources	(61,166)
Accounts payable	(458)
Accrued salaries and benefits	594
Accrued compensated absences	1,438
Unearned revenues	(91)
Other postemployment benefits liability	(76,747)
Net pension liability	102,104
Other liabilities	2,829
Deferred inflows of resources	28,172
Net cash used in operating activities	<u>\$ (272,128)</u>

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 16,279
Change in unrealized gain on investments	529
Gifts in kind - noncapital	49
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	99
Amortization of net bond premium	1,613
Change in capital assets due to implementation of GASB Statement No. 96	1,050

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 5,683
Payments from discretely presented component units for other than salaries	12,624
Payments to discretely presented component units for services, space, and programs	9,641
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	—
Accounts receivable from discretely presented component units	2,808
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(3)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	1,428
Payments to the Office of the Chancellor for state pro rata charges	57
Accounts receivable from the Office of the Chancellor	9,115
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,116
Other interagency payments (receipts) for services, space, and programs	445

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 51	17,090	17,141
Short-term investments	485,789	78,805	564,594
Accounts receivable, net	52,204	42,448	94,652
Lease receivable, current portion	649	3,194	3,843
P3 receivable, current portion	—	201	201
Notes receivable, current portion	—	837	837
Pledge receivable, net	—	21,377	21,377
Prepaid expenses and other current assets	4,041	13,926	17,967
Total current assets	542,734	177,878	720,612
Noncurrent assets			
Restricted cash and cash equivalents	—	981	981
Accounts receivable, net	285	—	285
Lease receivable, net of current portion	14,065	51,279	65,344
P3 receivable, net of current portion	—	3,710	3,710
Notes receivable, net of current portion	—	5,480	5,480
Student loans receivable, net	1,919	—	1,919
Pledge receivable, net	—	29,966	29,966
Endowment investments	—	420,584	420,584
Other long-term investments	235,249	119,201	354,450
Capital assets, net	1,646,215	204,419	1,850,634
Other assets	14,658	11,993	26,651
Total noncurrent assets	1,912,391	847,613	2,760,004
Total assets	2,455,125	1,025,491	3,480,616
Deferred Outflows of Resources			
Deferred outflows of resources	431,020	2,840	433,860
Liabilities			
Current liabilities			
Accounts payable	50,155	11,432	61,587
Accrued salaries and benefits	37,922	10,988	48,910
Accrued compensated absences, current portion	8,428	1,932	10,360
Unearned revenues	57,036	41,497	98,533
Lease liabilities, current portion	9,687	4,013	13,700
SBITA liabilities, current portion	1,405	505	1,910
Long-term debt obligations, current portion	45,334	4,832	50,166
Claims liability for losses and loss adjustment expenses, current portion	—	1,185	1,185
Depository accounts	—	23	23
Other liabilities	13,142	56,779	69,921
Total current liabilities	223,109	133,186	356,295

SAN DIEGO STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 17,260	3,360	20,620
Unearned revenues	825	2,974	3,799
Grants refundable	2,547	—	2,547
Lease liabilities, net of current portion	38,969	24,192	63,161
SBITA liabilities, net of current portion	612	731	1,343
Long-term debt obligations, net of current portion	1,106,362	109,413	1,215,775
Claims liability for losses and loss adjustment expenses, net of current portion	—	4,555	4,555
Depository accounts	—	—	—
Other postemployment benefits liability	1,146,060	14,975	1,161,035
Net pension liability	641,402	92	641,494
Other liabilities	957	6,769	7,726
Total noncurrent liabilities	2,954,994	167,061	3,122,055
Total liabilities	3,178,103	300,247	3,478,350
Deferred Inflows of Resources			
Deferred inflows of resources	493,483	62,374	555,857
Net Position			
Net position			
Net investment in capital assets	458,783	67,398	526,181
Restricted for			
Nonexpendable – endowments	—	297,791	297,791
Expendable			
Scholarships and fellowships	96	20,519	20,615
Research	—	10,806	10,806
Loans	606	—	606
Capital projects	1,923	8,298	10,221
Debt service	178	—	178
Others	779	179,579	180,358
Unrestricted	(1,247,806)	81,319	(1,166,487)
Total net position	\$ (785,441)	665,710	(119,731)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$128,488)	\$ 290,252	—	—	290,252
Grants and contracts, noncapital				
Federal	2,206	115,273	—	117,479
State	—	16,818	—	16,818
Local	521	2,937	—	3,458
Nongovernmental	2,425	18,941	—	21,366
Sales and services of educational activities	34,760	14,700	—	49,460
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$30,341)	115,360	106,547	—	221,907
Other operating revenues	26,652	102,195	—	128,847
Total operating revenues	472,176	377,411	—	849,587
Expenses				
Operating expenses				
Instruction	279,774	40,707	(91)	320,390
Research	17,920	65,064	(11)	82,973
Public service	5,559	56,566	(2,572)	59,553
Academic support	79,829	22,874	(51)	102,652
Student services	149,380	11,478	(1,611)	159,247
Institutional support	63,046	24,619	(181)	87,484
Operation and maintenance of plant	95,152	24,564	(18,267)	101,449
Student grants and scholarships	66,143	6,897	(6,809)	66,231
Auxiliary enterprise expenses	104,316	131,374	(3,741)	231,949
Depreciation and amortization	83,729	15,535	—	99,264
Total operating expenses	944,848	399,678	(33,334)	1,311,192
Operating loss	(472,672)	(22,267)	33,334	(461,605)
Nonoperating revenues (expenses)				
State appropriations, noncapital	413,656	—	—	413,656
Federal financial aid grants, noncapital	65,283	—	—	65,283
State financial aid grants, noncapital	71,687	—	—	71,687
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	6,700	—	(6,809)	(109)
Other federal nonoperating grants, noncapital	13,673	—	—	13,673

SAN DIEGO STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 10,090	42,131	(8,320)	43,901
Investment income, net	14,381	5,281	—	19,662
Endowment income, net	—	27,412	—	27,412
Interest expense	(36,940)	(3,549)	—	(40,489)
Other nonoperating revenues	31,882	3,032	—	34,914
Net nonoperating income	590,412	74,307	(15,129)	649,590
Income before other revenues	117,740	52,040	18,205	187,985
State appropriations, capital	—	—	—	—
Grants and gifts, capital	17,380	3,648	(18,205)	2,823
Additions to permanent endowments	—	5,971	—	5,971
Increase in net position	135,120	61,659	—	196,779
Net position				
Net position at beginning of year	(920,561)	604,051	—	(316,510)
Net position at end of year	\$ (785,441)	665,710	—	(119,731)

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 318,440
Federal grants and contracts	2,206
State grants and contracts	—
Local grants and contracts	835
Nongovernmental grants and contracts	2,425
Payments to suppliers	(262,832)
Payments to employees	(326,755)
Payments for benefits	(160,526)
Payments to students	(64,482)
Collections of student loans	97
Sales and services of educational activities	33,856
Sales and services of auxiliary enterprises	110,064
Other receipts	17,302
Net cash used in operating activities	<u>(329,370)</u>
Cash flows from noncapital financing activities	
State appropriations	374,412
Federal financial aid grants	64,743
State financial aid grants	79,267
Nongovernmental and other financial aid grants	6,700
Other federal nonoperating grants	13,382
Gifts and grants received for other than capital purposes	10,090
Federal loan program receipts	121,234
Federal loan program disbursements	(120,522)
Monies received on behalf of others	—
Monies disbursed on behalf of others	—
Principal paid on long-term debt	(285)
Interest paid on long-term debt	(35)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	42,923
Net cash provided by noncapital financing activities	<u>591,909</u>

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	1,694
Capital grants and gifts	16,237
Proceeds from sale of capital assets	107
Acquisition of capital assets	(167,174)
Principal paid on capital debt and leases	(44,852)
Interest paid on capital debt and leases	(38,992)
Principal collection on leases receivable	650
Interest collection on leases receivable	294
Net cash used in capital and related financing activities	(232,036)
Cash flows from investing activities	
Proceeds from sales of investments	1,580,846
Purchases of investments	(1,619,306)
Investment income proceeds	7,915
Net cash used in investing activities	(30,545)
Net decrease in cash and cash equivalents	(42)
Cash and cash equivalents at beginning of year, as restated	93
Cash and cash equivalents at end of year	<u>\$ 51</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (472,672)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	83,729
Change in assets and liabilities	
Accounts receivable, net	(4,599)
Student loans receivable, net	(142)
Prepaid expenses and other current assets	(973)
Other assets	(1,432)
Deferred outflows of resources	(145,047)
Accounts payable	4,577
Accrued salaries and benefits	4,438
Accrued compensated absences	2,004
Unearned revenues	24,458
Other postemployment benefits liability	(142,646)
Net pension liability	228,902
Other liabilities	1,343
Deferred inflows of resources	88,690
Net cash used in operating activities	<u>\$ (329,370)</u>

SAN DIEGO STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 39,244
Change in unrealized gain on investments	6,316
Gifts in kind - noncapital	10,090
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	21,207
Amortization of net bond premium	2,552
Change in capital assets due to implementation of GASB Statement No. 96	668

See accompanying independent auditors' report.

SAN DIEGO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 7,978
Payments from discretely presented component units for other than salaries	14,854
Payments to discretely presented component units for services, space, and programs	45,579
Gifts in kind from discretely presented component units	1,132
Gifts (cash or assets) from discretely presented component units	32,201
Accounts receivable from discretely presented component units	19,893
Other amounts receivable from discretely presented component units	1,500
Accounts payable to discretely presented component units	(2,738)
Other amounts payable to discretely presented component units	(765)
Payments to the Office of the Chancellor for administrative activities	300
Payments to the Office of the Chancellor for state pro rata charges	104
Accounts receivable from the Office of the Chancellor	11,984
Accounts receivable from campuses other than the Office of the Chancellor	1
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	3,148
Other interagency payments (receipts) for services, space, and programs	(19)

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 5	2,996	3,001
Short-term investments	166,414	56,411	222,825
Accounts receivable, net	28,836	11,190	40,026
Lease receivable, current portion	225	1,142	1,367
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	4,490	4,490
Prepaid expenses and other current assets	4,753	146	4,899
Total current assets	200,233	76,375	276,608
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	11,888	18,631	30,519
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	1,060	—	1,060
Pledge receivable, net	—	601	601
Endowment investments	—	149,249	149,249
Other long-term investments	183,628	13,961	197,589
Capital assets, net	673,347	10,876	684,223
Other assets	10	—	10
Total noncurrent assets	869,933	193,318	1,063,251
Total assets	1,070,166	269,693	1,339,859
Deferred Outflows of Resources			
Deferred outflows of resources	334,064	—	334,064
Liabilities			
Current liabilities			
Accounts payable	26,226	2,645	28,871
Accrued salaries and benefits	30,627	518	31,145
Accrued compensated absences, current portion	10,103	484	10,587
Unearned revenues	19,993	29	20,022
Lease liabilities, current portion	1,418	101	1,519
SBITA liabilities, current portion	1,145	—	1,145
Long-term debt obligations, current portion	11,238	—	11,238
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	300	—	300
Other liabilities	5,274	111	5,385
Total current liabilities	106,324	3,888	110,212

SAN FRANCISCO STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 10,096	—	10,096
Unearned revenues	7,419	—	7,419
Grants refundable	973	—	973
Lease liabilities, net of current portion	1,832	8,391	10,223
SBITA liabilities, net of current portion	1,077	—	1,077
Long-term debt obligations, net of current portion	238,655	—	238,655
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	809,604	3,210	812,814
Net pension liability	524,459	—	524,459
Other liabilities	—	—	—
Total noncurrent liabilities	1,594,115	11,601	1,605,716
Total liabilities	1,700,439	15,489	1,715,928
Deferred Inflows of Resources			
Deferred inflows of resources	373,411	18,558	391,969
Net Position			
Net position			
Net investment in capital assets	421,577	10,876	432,453
Restricted for			
Nonexpendable – endowments	—	110,946	110,946
Expendable			
Scholarships and fellowships	32	76,929	76,961
Research	—	—	—
Loans	1,557	—	1,557
Capital projects	93	1,914	2,007
Debt service	13	—	13
Others	—	10,190	10,190
Unrestricted	(1,092,892)	24,791	(1,068,101)
Total net position	\$ (669,620)	235,646	(433,974)

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$113,574)	\$ 115,656	—	—	115,656
Grants and contracts, noncapital				
Federal	24,481	—	—	24,481
State	2,215	266	—	2,481
Local	299	993	—	1,292
Nongovernmental	3,759	8,980	—	12,739
Sales and services of educational activities	296	—	—	296
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$14,540)	60,831	14,654	—	75,485
Other operating revenues	14,323	10,355	(216)	24,462
Total operating revenues	221,860	35,248	(216)	256,892
Expenses				
Operating expenses				
Instruction	210,833	2,139	—	212,972
Research	19,281	652	—	19,933
Public service	3,965	397	(210)	4,152
Academic support	46,160	4,129	(6)	50,283
Student services	57,981	8,129	—	66,110
Institutional support	44,790	4,554	—	49,344
Operation and maintenance of plant	36,189	1,247	—	37,436
Student grants and scholarships	59,049	4,974	—	64,023
Auxiliary enterprise expenses	61,953	6,673	—	68,626
Depreciation and amortization	34,284	653	—	34,937
Total operating expenses	574,485	33,547	(216)	607,816
Operating income (loss)	(352,625)	1,701	—	(350,924)
Nonoperating revenues (expenses)				
State appropriations, noncapital	383,470	—	—	383,470
Federal financial aid grants, noncapital	52,991	—	—	52,991
State financial aid grants, noncapital	59,809	—	—	59,809
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	23,361	—	—	23,361

SAN FRANCISCO STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), continued				
Gifts, noncapital	\$ 2,408	4,052	—	6,460
Investment income, net	7,236	3,401	—	10,637
Endowment income, net	—	11,034	—	11,034
Interest expense	(7,410)	—	—	(7,410)
Other nonoperating revenues (expenses)	47,149	(9,155)	—	37,994
Net nonoperating income	569,014	9,332	—	578,346
Income before other revenues	216,389	11,033	—	227,422
State appropriations, capital	—	—	—	—
Grants and gifts, capital	500	—	—	500
Additions to permanent endowments	—	1,969	—	1,969
Increase in net position	216,889	13,002	—	229,891
Net position				
Net position at beginning of year	(886,509)	222,644	—	(663,865)
Net position at end of year	\$ (669,620)	235,646	—	(433,974)

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 112,195
Federal grants and contracts	24,529
State grants and contracts	3,010
Local grants and contracts	659
Nongovernmental grants and contracts	4,396
Payments to suppliers	(127,267)
Payments to employees	(247,602)
Payments for benefits	(124,115)
Payments to students	(58,937)
Collections of student loans	103
Sales and services of educational activities	296
Sales and services of auxiliary enterprises	58,318
Other receipts	13,122
Net cash used in operating activities	<u>(341,293)</u>
Cash flows from noncapital financing activities	
State appropriations	355,966
Federal financial aid grants	53,008
State financial aid grants	68,472
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	18,357
Gifts and grants received for other than capital purposes	2,319
Federal loan program receipts	78,068
Federal loan program disbursements	(78,128)
Monies received on behalf of others	2,562
Monies disbursed on behalf of others	(2,559)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	40,903
Net cash provided by noncapital financing activities	<u>538,968</u>

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ 14,315
State appropriations	371
Capital grants and gifts	500
Proceeds from sale of capital assets	—
Acquisition of capital assets	(98,908)
Principal paid on capital debt and leases	(12,887)
Interest paid on capital debt and leases	(8,062)
Principal collection on leases receivable	215
Interest collection on leases receivable	310
Net cash used in capital and related financing activities	<u>(104,146)</u>
Cash flows from investing activities	
Proceeds from sales of investments	954,245
Purchases of investments	(1,051,858)
Investment income proceeds	4,083
Net cash used in investing activities	<u>(93,530)</u>
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at beginning of year, as restated	6
Cash and cash equivalents at end of year	<u>\$ 5</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (352,625)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	34,284
Change in assets and liabilities	
Accounts receivable, net	(1,532)
Student loans receivable, net	58
Prepaid expenses and other current assets	545
Other assets	—
Deferred outflows of resources	(108,568)
Accounts payable	(1,064)
Accrued salaries and benefits	(1,251)
Accrued compensated absences	1,240
Unearned revenues	1,007
Other postemployment benefits liability	(138,683)
Net pension liability	169,441
Other liabilities	(1,522)
Deferred inflows of resources	57,377
Net cash used in operating activities	<u>\$ (341,293)</u>

SAN FRANCISCO STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 27,505
Change in unrealized gain on investments	2,745
Gifts in kind - noncapital	2,408
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	(18)
Amortization of net bond premium	1,304
Change in capital assets due to implementation of GASB Statement No. 96	1,280

See accompanying independent auditors' report.

SAN FRANCISCO STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,433
Payments from discretely presented component units for other than salaries	7,225
Payments to discretely presented component units for services, space, and programs	8,258
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,768
Accounts receivable from discretely presented component units	1,880
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(385)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	2,008
Payments to the Office of the Chancellor for state pro rata charges	117
Accounts receivable from the Office of the Chancellor	9,724
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,940
Other interagency payments (receipts) for services, space, and programs	(57)

See accompanying independent auditors' report.



Awards

NEARLY HALF

of the state's
bachelor's degrees

SAN JOSE STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 21	48,660	48,681
Short-term investments	232,019	42,187	274,206
Accounts receivable, net	16,419	14,188	30,607
Lease receivable, current portion	178	89	267
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	3,840	3,840
Prepaid expenses and other current assets	2,489	1,116	3,605
Total current assets	251,126	110,080	361,206
Noncurrent assets			
Restricted cash and cash equivalents	—	1,423	1,423
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	1,272	46	1,318
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	2,490	2,490
Student loans receivable, net	2,152	—	2,152
Pledge receivable, net	—	6,461	6,461
Endowment investments	—	182,636	182,636
Other long-term investments	96,749	7,256	104,005
Capital assets, net	884,343	68,758	953,101
Other assets	6,052	13,318	19,370
Total noncurrent assets	990,568	282,388	1,272,956
Total assets	1,241,694	392,468	1,634,162
Deferred Outflows of Resources			
Deferred outflows of resources	385,689	13,622	399,311
Liabilities			
Current liabilities			
Accounts payable	59,069	7,925	66,994
Accrued salaries and benefits	33,429	2,423	35,852
Accrued compensated absences, current portion	7,201	1,910	9,111
Unearned revenues	36,001	4,163	40,164
Lease liabilities, current portion	755	591	1,346
SBITA liabilities, current portion	828	47	875
Long-term debt obligations, current portion	20,342	—	20,342
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	9,041	4,829	13,870
Total current liabilities	166,666	21,888	188,554

SAN JOSE STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 13,138	91	13,229
Unearned revenues	4,230	14,555	18,785
Grants refundable	2,694	—	2,694
Lease liabilities, net of current portion	2,233	2,142	4,375
SBITA liabilities, net of current portion	629	48	677
Long-term debt obligations, net of current portion	466,359	42,470	508,829
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	197	197
Other postemployment benefits liability	928,729	12,147	940,876
Net pension liability	607,533	—	607,533
Other liabilities	6,908	1,931	8,839
Total noncurrent liabilities	2,032,453	73,581	2,106,034
Total liabilities	2,199,119	95,469	2,294,588
Deferred Inflows of Resources			
Deferred inflows of resources	379,836	19,040	398,876
Net Position			
Net position			
Net investment in capital assets	400,307	23,981	424,288
Restricted for			
Nonexpendable – endowments	—	136,119	136,119
Expendable			
Scholarships and fellowships	8,941	—	8,941
Research	—	27	27
Loans	6,744	—	6,744
Capital projects	10	—	10
Debt service	25	—	25
Others	291	106,865	107,156
Unrestricted	(1,367,890)	24,589	(1,343,301)
Total net position	\$ (951,572)	291,581	(659,991)

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$116,227)	\$ 204,257	—	—	204,257
Grants and contracts, noncapital				
Federal	—	33,704	—	33,704
State	—	9,924	—	9,924
Local	—	2,536	—	2,536
Nongovernmental	—	3,398	—	3,398
Sales and services of educational activities	8,127	—	(1)	8,126
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$10,221)	60,574	3,261	—	63,835
Other operating revenues	21,910	30,343	(502)	51,751
Total operating revenues	294,868	83,166	(503)	377,531
Expenses				
Operating expenses				
Instruction	272,653	8,857	—	281,510
Research	2,435	36,844	—	39,279
Public service	966	2	—	968
Academic support	65,775	10,494	(15)	76,254
Student services	104,861	28,909	—	133,770
Institutional support	68,653	8,437	—	77,090
Operation and maintenance of plant	51,207	636	—	51,843
Student grants and scholarships	53,086	6,459	(3,674)	55,871
Auxiliary enterprise expenses	39,329	8,863	—	48,192
Depreciation and amortization	43,333	3,930	—	47,263
Total operating expenses	702,298	113,431	(3,689)	812,040
Operating loss	(407,430)	(30,265)	3,186	(434,509)
Nonoperating revenues (expenses)				
State appropriations, noncapital	275,088	—	—	275,088
Federal financial aid grants, noncapital	51,193	2,061	—	53,254
State financial aid grants, noncapital	75,469	443	—	75,912
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	48	—	48
Other federal nonoperating grants, noncapital	2,192	—	—	2,192

SAN JOSE STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 4,552	18,155	(3,673)	19,034
Investment income, net	11,068	4,262	—	15,330
Endowment income, net	—	19,035	—	19,035
Interest expense	(11,966)	(41)	—	(12,007)
Other nonoperating revenues	14,136	4,032	—	18,168
Net nonoperating income	421,732	47,995	(3,673)	466,054
Income before other revenues	14,302	17,730	(487)	31,545
State appropriations, capital	—	—	—	—
Grants and gifts, capital	753	—	487	1,240
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	15,055	17,730	—	32,785
Net position				
Net position at beginning of year	(966,627)	273,851	—	(692,776)
Net position at end of year	\$ (951,572)	291,581	—	(659,991)

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 209,486
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(149,368)
Payments to employees	(297,161)
Payments for benefits	(145,182)
Payments to students	(53,020)
Collections of student loans	—
Sales and services of educational activities	8,126
Sales and services of auxiliary enterprises	57,897
Other receipts	19,697
Net cash used in operating activities	<u>(349,525)</u>
Cash flows from noncapital financing activities	
State appropriations	242,922
Federal financial aid grants	50,570
State financial aid grants	75,469
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	1,965
Gifts and grants received for other than capital purposes	4,552
Federal loan program receipts	90,476
Federal loan program disbursements	(90,684)
Monies received on behalf of others	787
Monies disbursed on behalf of others	(883)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	(5,878)
Net cash provided by noncapital financing activities	<u>369,296</u>

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	753
Proceeds from sale of capital assets	1
Acquisition of capital assets	(45,197)
Principal paid on capital debt and leases	(18,632)
Interest paid on capital debt and leases	(12,643)
Principal collection on leases receivable	123
Interest collection on leases receivable	4
Net cash used in capital and related financing activities	<u>(75,591)</u>
Cash flows from investing activities	
Proceeds from sales of investments	1,142,480
Purchases of investments	(1,091,295)
Investment income proceeds	4,632
Net cash provided by investing activities	<u>55,817</u>
Net decrease in cash and cash equivalents	(3)
Cash and cash equivalents at beginning of year, as restated	24
Cash and cash equivalents at end of year	<u>\$ 21</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (407,430)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	43,333
Change in assets and liabilities	
Accounts receivable, net	(752)
Student loans receivable, net	(217)
Prepaid expenses and other current assets	2,630
Other assets	679
Deferred outflows of resources	(106,329)
Accounts payable	2,993
Accrued salaries and benefits	(659)
Accrued compensated absences	1,465
Unearned revenues	5,839
Other postemployment benefits liability	(143,525)
Net pension liability	215,109
Other liabilities	(566)
Deferred inflows of resources	37,905
Net cash used in operating activities	<u>\$ (349,525)</u>

SAN JOSE STATE UNIVERSITY

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 32,166
Change in unrealized gain on investments	6,414
Gifts in kind - noncapital	4,552
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	207
Amortization of net bond premium	1,088
Change in capital assets due to implementation of GASB Statement No. 96	506

See accompanying independent auditors' report.

SAN JOSE STATE UNIVERSITY

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,797
Payments from discretely presented component units for other than salaries	11,408
Payments to discretely presented component units for services, space, and programs	39,321
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	6,274
Accounts receivable from discretely presented component units	7,047
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(7,993)
Other amounts payable to discretely presented component units	(1,274)
Payments to the Office of the Chancellor for administrative activities	350
Payments to the Office of the Chancellor for state pro rata charges	206
Accounts receivable from the Office of the Chancellor	195
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,730
Other interagency payments (receipts) for services, space, and programs	216

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 3	27,388	27,391
Short-term investments	365,685	163,248	528,933
Accounts receivable, net	6,696	13,841	20,537
Lease receivable, current portion	556	296	852
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	12,901	12,901
Prepaid expenses and other current assets	8,870	3,214	12,084
Total current assets	381,810	220,888	602,698
Noncurrent assets			
Restricted cash and cash equivalents	—	416	416
Accounts receivable, net	—	24	24
Lease receivable, net of current portion	2,847	2,246	5,093
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	2,563	2,563
Student loans receivable, net	1,828	—	1,828
Pledge receivable, net	—	26,916	26,916
Endowment investments	—	265,256	265,256
Other long-term investments	73,550	52,337	125,887
Capital assets, net	925,854	120,689	1,046,543
Other assets	165	415	580
Total noncurrent assets	1,004,244	470,862	1,475,106
Total assets	1,386,054	691,750	2,077,804
Deferred Outflows of Resources			
Deferred outflows of resources	343,429	11,688	355,117
Liabilities			
Current liabilities			
Accounts payable	29,770	15,157	44,927
Accrued salaries and benefits	28,597	2,994	31,591
Accrued compensated absences, current portion	8,731	1,314	10,045
Unearned revenues	19,706	22,613	42,319
Lease liabilities, current portion	411	236	647
SBITA liabilities, current portion	224	175	399
Long-term debt obligations, current portion	23,921	750	24,671
Claims liability for losses and loss adjustment expenses, current portion	—	20	20
Depository accounts	287	2,202	2,489
Other liabilities	4,250	1,350	5,600
Total current liabilities	115,897	46,811	162,708

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 7,836	—	7,836
Unearned revenues	—	—	—
Grants refundable	568	—	568
Lease liabilities, net of current portion	2,003	2,502	4,505
SBITA liabilities, net of current portion	291	218	509
Long-term debt obligations, net of current portion	594,863	42,307	637,170
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	5,863	5,863
Other postemployment benefits liability	814,075	1,114	815,189
Net pension liability	526,216	26,683	552,899
Other liabilities	489	8,517	9,006
Total noncurrent liabilities	1,946,341	87,204	2,033,545
Total liabilities	2,062,238	134,015	2,196,253
Deferred Inflows of Resources			
Deferred inflows of resources	361,095	28,361	389,456
Net Position			
Net position			
Net investment in capital assets	343,679	55,899	399,578
Restricted for			
Nonexpendable – endowments	—	159,343	159,343
Expendable			
Scholarships and fellowships	8,015	17,702	25,717
Research	—	7,894	7,894
Loans	4,017	—	4,017
Capital projects	5,307	39,927	45,234
Debt service	43	—	43
Others	422	179,309	179,731
Unrestricted	(1,055,333)	80,988	(974,345)
Total net position	\$ (693,850)	541,062	(152,788)

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$64,259)	\$ 242,282	—	—	242,282
Grants and contracts, noncapital				
Federal	—	18,557	—	18,557
State	—	8,435	—	8,435
Local	—	472	—	472
Nongovernmental	8	4,446	—	4,454
Sales and services of educational activities	2,300	—	—	2,300
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$17,160)	84,107	44,156	—	128,263
Other operating revenues	24,848	41,034	(6,799)	59,083
Total operating revenues	353,545	117,100	(6,799)	463,846
Expenses				
Operating expenses				
Instruction	219,377	3,029	(2,478)	219,928
Research	5,290	29,383	(1,270)	33,403
Public service	247	19,605	(126)	19,726
Academic support	71,030	15,073	(11,713)	74,390
Student services	85,101	16,265	(8,951)	92,415
Institutional support	33,830	25,077	(5,622)	53,285
Operation and maintenance of plant	69,462	25,206	(8,412)	86,256
Student grants and scholarships	30,731	4,417	(1,023)	34,125
Auxiliary enterprise expenses	56,222	39,637	—	95,859
Depreciation and amortization	50,236	4,408	—	54,644
Total operating expenses	621,526	182,100	(39,595)	764,031
Operating loss	(267,981)	(65,000)	32,796	(300,185)
Nonoperating revenues (expenses)				
State appropriations, noncapital	270,097	—	—	270,097
Federal financial aid grants, noncapital	22,494	—	—	22,494
State financial aid grants, noncapital	34,542	—	—	34,542
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	12,809	—	(3,557)	9,252
Other federal nonoperating grants, noncapital	3,766	—	—	3,766

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 16,974	25,561	(15,374)	27,161
Investment income, net	8,510	8,706	—	17,216
Endowment income, net	—	21,948	—	21,948
Interest expense	(20,059)	(1,528)	—	(21,587)
Other nonoperating revenues	14,775	10,928	(27)	25,676
Net nonoperating income	363,908	65,615	(18,958)	410,565
Income before other revenues	95,927	615	13,838	110,380
State appropriations, capital	—	—	—	—
Grants and gifts, capital	24,012	18,912	(13,838)	29,086
Additions to permanent endowments	—	12,549	—	12,549
Increase in net position	119,939	32,076	—	152,015
Net position				
Net position at beginning of year	(813,789)	508,986	—	(304,803)
Net position at end of year	\$ (693,850)	541,062	—	(152,788)

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 240,661
Federal grants and contracts	—
State grants and contracts	2,604
Local grants and contracts	—
Nongovernmental grants and contracts	8
Payments to suppliers	(167,649)
Payments to employees	(252,428)
Payments for benefits	(126,092)
Payments to students	(31,208)
Collections of student loans	23
Sales and services of educational activities	2,300
Sales and services of auxiliary enterprises	83,953
Other receipts	22,862
Net cash used in operating activities	<u>(224,966)</u>
Cash flows from noncapital financing activities	
State appropriations	243,212
Federal financial aid grants	22,494
State financial aid grants	34,541
Nongovernmental and other financial aid grants	12,809
Other federal nonoperating grants	4,398
Gifts and grants received for other than capital purposes	16,974
Federal loan program receipts	71,461
Federal loan program disbursements	(71,321)
Monies received on behalf of others	11,731
Monies disbursed on behalf of others	(11,833)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	12,657
Net cash provided by noncapital financing activities	<u>347,123</u>

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ 135
State appropriations	—
Capital grants and gifts	23,756
Proceeds from sale of capital assets	247
Acquisition of capital assets	(45,449)
Principal paid on capital debt and leases	(21,462)
Interest paid on capital debt and leases	(21,177)
Principal collection on leases receivable	531
Interest collection on leases receivable	41
Net cash used in capital and related financing activities	<u>(63,378)</u>
Cash flows from investing activities	
Proceeds from sales of investments	984,689
Purchases of investments	(1,054,960)
Investment income proceeds	4,479
Net cash used in investing activities	<u>(65,792)</u>
Net decrease in cash and cash equivalents	(7,013)
Cash and cash equivalents at beginning of year, as restated	7,016
Cash and cash equivalents at end of year	<u>\$ 3</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (267,981)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	50,236
Change in assets and liabilities	
Accounts receivable, net	957
Student loans receivable, net	(898)
Prepaid expenses and other current assets	(4,595)
Other assets	—
Deferred outflows of resources	(108,291)
Accounts payable	6,880
Accrued salaries and benefits	1,658
Accrued compensated absences	920
Unearned revenues	3,137
Other postemployment benefits liability	(133,872)
Net pension liability	174,794
Other liabilities	(2,540)
Deferred inflows of resources	54,629
Net cash used in operating activities	<u>\$ (224,966)</u>

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 26,886
Change in unrealized gain on investments	3,847
Gifts in kind - noncapital	16,974
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	2,478
Change in capital assets due to implementation of GASB Statement No. 96	—

See accompanying independent auditors' report.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY, SAN LUIS OBISPO

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 8,951
Payments from discretely presented component units for other than salaries	27,056
Payments to discretely presented component units for services, space, and programs	8,672
Gifts in kind from discretely presented component units	444
Gifts (cash or assets) from discretely presented component units	21,745
Accounts receivable from discretely presented component units	1,728
Other amounts receivable from discretely presented component units	175
Accounts payable to discretely presented component units	(1,487)
Other amounts payable to discretely presented component units	(2,563)
Payments to the Office of the Chancellor for administrative activities	232
Payments to the Office of the Chancellor for state pro rata charges	97
Accounts receivable from the Office of the Chancellor	1,849
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	—
State lottery allocation received	2,012
Other interagency payments (receipts) for services, space, and programs	589

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 3	4,905	4,908
Short-term investments	94,902	14,062	108,964
Accounts receivable, net	4,878	8,070	12,948
Lease receivable, current portion	1,301	3,502	4,803
P3 receivable, current portion	—	—	—
Notes receivable, current portion	31	—	31
Pledge receivable, net	—	1,355	1,355
Prepaid expenses and other current assets	2,379	61	2,440
Total current assets	103,494	31,955	135,449
Noncurrent assets			
Restricted cash and cash equivalents	—	309	309
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	13,354	85,467	98,821
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	32	—	32
Student loans receivable, net	268	50	318
Pledge receivable, net	—	2,014	2,014
Endowment investments	—	33,548	33,548
Other long-term investments	96,011	12,218	108,229
Capital assets, net	277,637	28,039	305,676
Other assets	10	103	113
Total noncurrent assets	387,312	161,748	549,060
Total assets	490,806	193,703	684,509
Deferred Outflows of Resources			
Deferred outflows of resources	162,095	628	162,723
Liabilities			
Current liabilities			
Accounts payable	7,006	4,255	11,261
Accrued salaries and benefits	15,566	319	15,885
Accrued compensated absences, current portion	4,795	740	5,535
Unearned revenues	13,762	5,025	18,787
Lease liabilities, current portion	1,557	1,857	3,414
SBITA liabilities, current portion	500	—	500
Long-term debt obligations, current portion	4,606	1,061	5,667
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	131	—	131
Other liabilities	4,679	—	4,679
Total current liabilities	52,602	13,257	65,859

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 4,239	—	4,239
Unearned revenues	—	31,660	31,660
Grants refundable	53	—	53
Lease liabilities, net of current portion	56,630	17,705	74,335
SBITA liabilities, net of current portion	423	—	423
Long-term debt obligations, net of current portion	82,216	57,387	139,603
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	342,046	1,391	343,437
Net pension liability	270,234	—	270,234
Other liabilities	—	—	—
Total noncurrent liabilities	755,841	108,143	863,984
Total liabilities	808,443	121,400	929,843
Deferred Inflows of Resources			
Deferred inflows of resources	161,494	—	161,494
Net Position			
Net position			
Net investment in capital assets	133,261	5,892	139,153
Restricted for			
Nonexpendable – endowments	—	24,090	24,090
Expendable			
Scholarships and fellowships	—	4,916	4,916
Research	—	—	—
Loans	323	—	323
Capital projects	44	16	60
Debt service	3	—	3
Others	200	5,404	5,604
Unrestricted	(450,867)	32,613	(418,254)
Total net position	\$ (317,036)	72,931	(244,105)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$66,358)	\$ 73,840	—	—	73,840
Grants and contracts, noncapital				
Federal	—	12,772	—	12,772
State	—	2,165	—	2,165
Local	—	3	—	3
Nongovernmental	—	328	—	328
Sales and services of educational activities	138	4,296	—	4,434
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$3,996)	24,141	8,943	—	33,084
Other operating revenues	7,821	4,618	—	12,439
Total operating revenues	105,940	33,125	—	139,065
Expenses				
Operating expenses				
Instruction	115,531	3,723	—	119,254
Research	1,901	5,194	—	7,095
Public service	14	785	—	799
Academic support	36,172	2,700	(20)	38,852
Student services	43,354	5,961	—	49,315
Institutional support	42,324	843	(80)	43,087
Operation and maintenance of plant	29,886	—	(389)	29,497
Student grants and scholarships	30,636	3,902	(2,622)	31,916
Auxiliary enterprise expenses	24,346	7,911	—	32,257
Depreciation and amortization	16,311	2,176	—	18,487
Total operating expenses	340,475	33,195	(3,111)	370,559
Operating loss	(234,535)	(70)	3,111	(231,494)
Nonoperating revenues (expenses)				
State appropriations, noncapital	226,512	—	—	226,512
Federal financial aid grants, noncapital	33,826	—	—	33,826
State financial aid grants, noncapital	39,869	—	—	39,869
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	9,089	—	—	9,089

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 2,722	5,267	(2,723)	5,266
Investment income, net	2,815	1,256	—	4,071
Endowment income, net	—	2,905	—	2,905
Interest expense	(4,676)	(2,722)	—	(7,398)
Other nonoperating revenues (expenses)	1,079	—	—	1,079
Net nonoperating income	311,236	6,706	(2,723)	315,219
Income before other revenues	76,701	6,636	388	83,725
State appropriations, capital	—	—	—	—
Grants and gifts, capital	389	—	(388)	1
Additions to permanent endowments	—	390	—	390
Increase in net position	77,090	7,026	—	84,116
Net position				
Net position at beginning of year	(394,126)	65,905	—	(328,221)
Net position at end of year	\$ (317,036)	72,931	—	(244,105)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 78,257
Federal grants and contracts	—
State grants and contracts	—
Local grants and contracts	—
Nongovernmental grants and contracts	—
Payments to suppliers	(74,355)
Payments to employees	(138,354)
Payments for benefits	(69,637)
Payments to students	(30,679)
Collections of student loans	22
Sales and services of educational activities	138
Sales and services of auxiliary enterprises	23,734
Other receipts	6,621
Net cash used in operating activities	<u>(204,253)</u>
Cash flows from noncapital financing activities	
State appropriations	215,405
Federal financial aid grants	35,041
State financial aid grants	40,083
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	9,374
Gifts and grants received for other than capital purposes	2,723
Federal loan program receipts	45,723
Federal loan program disbursements	(45,768)
Monies received on behalf of others	3,381
Monies disbursed on behalf of others	(3,322)
Principal paid on long-term debt	(1,195)
Interest paid on long-term debt	(269)
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	30
Interest collections on notes receivable	—
Other noncapital financing activities	323
Net cash provided by noncapital financing activities	<u>301,529</u>

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	34
Capital grants and gifts	—
Proceeds from sale of capital assets	—
Acquisition of capital assets	(8,116)
Principal paid on capital debt and leases	(5,829)
Interest paid on capital debt and leases	(4,560)
Principal collection on leases receivable	1,189
Interest collection on leases receivable	269
Net cash used in capital and related financing activities	<u>(17,013)</u>
Cash flows from investing activities	
Proceeds from sales of investments	480,189
Purchases of investments	(562,676)
Investment income proceeds	2,220
Net cash used in investing activities	<u>(80,267)</u>
Net decrease in cash and cash equivalents	(4)
Cash and cash equivalents at beginning of year, as restated	7
Cash and cash equivalents at end of year	<u>\$ 3</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (234,535)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	16,311
Change in assets and liabilities	
Accounts receivable, net	(695)
Student loans receivable, net	(25)
Prepaid expenses and other current assets	(326)
Other assets	—
Deferred outflows of resources	(52,022)
Accounts payable	(1,440)
Accrued salaries and benefits	552
Accrued compensated absences	680
Unearned revenues	5,664
Other postemployment benefits liability	(43,213)
Net pension liability	95,076
Other liabilities	940
Deferred inflows of resources	8,780
Net cash used in operating activities	<u>\$ (204,253)</u>

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 11,107
Change in unrealized gain on investments	324
Gifts in kind - noncapital	2,723
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	268
Amortization of net bond premium	331
Change in capital assets due to implementation of GASB Statement No. 96	623

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, SAN MARCOS

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 341
Payments from discretely presented component units for other than salaries	6,142
Payments to discretely presented component units for services, space, and programs	15,654
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	2,723
Accounts receivable from discretely presented component units	1,497
Other amounts receivable from discretely presented component units	213
Accounts payable to discretely presented component units	(1,323)
Other amounts payable to discretely presented component units	(92,240)
Payments to the Office of the Chancellor for administrative activities	264
Payments to the Office of the Chancellor for state pro rata charges	147
Accounts receivable from the Office of the Chancellor	267
Accounts receivable from campuses other than the Office of the Chancellor	—
Accounts payable to campuses other than the Office of the Chancellor	(3)
State lottery allocation received	1,212
Other interagency payments (receipts) for services, space, and programs	4

See accompanying independent auditors' report.



ALUMNI

network is larger
than the population
of 23 U.S. states



SONOMA STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 185	910	1,095
Short-term investments	118,213	5,444	123,657
Accounts receivable, net	6,223	721	6,944
Lease receivable, current portion	—	—	—
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	1,043	1,043
Prepaid expenses and other current assets	1,272	139	1,411
Total current assets	125,893	8,257	134,150
Noncurrent assets			
Restricted cash and cash equivalents	—	—	—
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	—	—	—
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	582	—	582
Pledge receivable, net	—	1,409	1,409
Endowment investments	—	49,705	49,705
Other long-term investments	10,751	17,153	27,904
Capital assets, net	426,634	688	427,322
Other assets	—	933	933
Total noncurrent assets	437,967	69,888	507,855
Total assets	563,860	78,145	642,005
Deferred Outflows of Resources			
Deferred outflows of resources	135,236	—	135,236
Liabilities			
Current liabilities			
Accounts payable	3,547	794	4,341
Accrued salaries and benefits	8,677	9	8,686
Accrued compensated absences, current portion	4,177	7	4,184
Unearned revenues	10,848	13	10,861
Lease liabilities, current portion	78	—	78
SBITA liabilities, current portion	445	60	505
Long-term debt obligations, current portion	9,075	—	9,075
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	—	—	—
Other liabilities	980	186	1,166
Total current liabilities	37,827	1,069	38,896

SONOMA STATE UNIVERSITY

Statement of Net Position

June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 2,910	16	2,926
Unearned revenues	—	—	—
Grants refundable	470	—	470
Lease liabilities, net of current portion	200	—	200
SBITA liabilities, net of current portion	597	204	801
Long-term debt obligations, net of current portion	181,660	—	181,660
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	354,022	—	354,022
Net pension liability	199,239	—	199,239
Other liabilities	—	—	—
Total noncurrent liabilities	739,098	220	739,318
Total liabilities	776,925	1,289	778,214
Deferred Inflows of Resources			
Deferred inflows of resources	161,600	—	161,600
Net Position			
Net position			
Net investment in capital assets	238,206	422	238,628
Restricted for			
Nonexpendable – endowments	—	50,616	50,616
Expendable			
Scholarships and fellowships	3,209	1,524	4,733
Research	—	—	—
Loans	279	—	279
Capital projects	2,427	—	2,427
Debt service	7	—	7
Others	10,089	12,429	22,518
Unrestricted	(493,646)	11,865	(481,781)
Total net position	\$ (239,429)	76,856	(162,573)

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$22,562)	\$ 35,877	—	—	35,877
Grants and contracts, noncapital				
Federal	11,084	115	—	11,199
State	2,124	327	—	2,451
Local	14	—	—	14
Nongovernmental	1,157	—	—	1,157
Sales and services of educational activities	168	3	—	171
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$4,365)	27,287	212	—	27,499
Other operating revenues	17,545	8,608	—	26,153
Total operating revenues	95,256	9,265	—	104,521
Expenses				
Operating expenses				
Instruction	59,295	—	—	59,295
Research	4,339	—	—	4,339
Public service	14,199	—	—	14,199
Academic support	15,478	—	—	15,478
Student services	25,650	2,514	—	28,164
Institutional support	16,907	202	—	17,109
Operation and maintenance of plant	19,118	—	—	19,118
Student grants and scholarships	13,158	—	—	13,158
Auxiliary enterprise expenses	24,724	6,614	—	31,338
Depreciation and amortization	21,515	70	—	21,585
Total operating expenses	214,383	9,400	—	223,783
Operating loss	(119,127)	(135)	—	(119,262)
Nonoperating revenues (expenses)				
State appropriations, noncapital	109,903	—	—	109,903
Federal financial aid grants, noncapital	11,894	—	—	11,894
State financial aid grants, noncapital	15,662	—	—	15,662
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	—	—
Other federal nonoperating grants, noncapital	2,431	—	—	2,431

SONOMA STATE UNIVERSITY

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 7,546	350	—	7,896
Investment income (loss), net	3,310	(484)	—	2,826
Endowment income, net	—	3,245	—	3,245
Interest expense	(5,254)	(1)	—	(5,255)
Other nonoperating revenues (expenses)	20,738	—	—	20,738
Net nonoperating income	166,230	3,110	—	169,340
Income before other revenues	47,103	2,975	—	50,078
State appropriations, capital	—	—	—	—
Grants and gifts, capital	34	—	—	34
Additions to permanent endowments	—	425	—	425
Increase in net position	47,137	3,400	—	50,537
Net position				
Net position at beginning of year	(286,566)	73,456	—	(213,110)
Net position at end of year	\$ (239,429)	76,856	—	(162,573)

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 42,147
Federal grants and contracts	10,511
State grants and contracts	2,332
Local grants and contracts	(81)
Nongovernmental grants and contracts	870
Payments to suppliers	(54,446)
Payments to employees	(90,909)
Payments for benefits	(47,944)
Payments to students	(13,197)
Collections of student loans	28
Sales and services of educational activities	166
Sales and services of auxiliary enterprises	26,873
Other receipts	18,385
Net cash used in operating activities	<u>(105,265)</u>
Cash flows from noncapital financing activities	
State appropriations	98,750
Federal financial aid grants	11,894
State financial aid grants	17,753
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	2,431
Gifts and grants received for other than capital purposes	7,546
Federal loan program receipts	128
Federal loan program disbursements	(178)
Monies received on behalf of others	25
Monies disbursed on behalf of others	—
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	20,262
Net cash provided by noncapital financing activities	<u>158,611</u>

SONOMA STATE UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	—
Proceeds from sale of capital assets	276
Acquisition of capital assets	(27,243)
Principal paid on capital debt and leases	(8,241)
Interest paid on capital debt and leases	(5,917)
Principal collection on leases receivable	—
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(41,125)</u>
Cash flows from investing activities	
Proceeds from sales of investments	335,389
Purchases of investments	(348,973)
Investment income proceeds	1,463
Net cash used in investing activities	<u>(12,121)</u>
Net increase in cash and cash equivalents	100
Cash and cash equivalents at beginning of year, as restated	85
Cash and cash equivalents at end of year	<u>\$ 185</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (119,127)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	21,515
Change in assets and liabilities	
Accounts receivable, net	4,437
Student loans receivable, net	2
Prepaid expenses and other current assets	177
Other assets	—
Deferred outflows of resources	(47,979)
Accounts payable	(1,093)
Accrued salaries and benefits	(292)
Accrued compensated absences	119
Unearned revenues	1,318
Other postemployment benefits liability	(61,820)
Net pension liability	62,008
Other liabilities	(174)
Deferred inflows of resources	35,644
Net cash used in operating activities	<u>\$ (105,265)</u>

SONOMA STATE UNIVERSITY

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 11,152
Change in unrealized gain on investments	1,842
Gifts in kind - noncapital	7,546
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	(142)
Amortization of net bond premium	885
Change in capital assets due to implementation of GASB Statement No. 96	505

See accompanying independent auditors' report.

SONOMA STATE UNIVERSITY
 Transactions with Related Entities
 Year ended June 30, 2023
 (In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 4,713
Payments from discretely presented component units for other than salaries	3,110
Payments to discretely presented component units for services, space, and programs	7,086
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	4,969
Accounts receivable from discretely presented component units	706
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(598)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	142
Payments to the Office of the Chancellor for state pro rata charges	78
Accounts receivable from the Office of the Chancellor	372
Accounts receivable from campuses other than the Office of the Chancellor	58
Accounts payable to campuses other than the Office of the Chancellor	(3)
State lottery allocation received	1,178
Other interagency payments (receipts) for services, space, and programs	223

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Assets			
Current assets			
Cash and cash equivalents	\$ —	1,945	1,945
Short-term investments	125,254	12,848	138,102
Accounts receivable, net	5,553	1,137	6,690
Lease receivable, current portion	249	—	249
P3 receivable, current portion	—	—	—
Notes receivable, current portion	—	—	—
Pledge receivable, net	—	506	506
Prepaid expenses and other current assets	810	44	854
Total current assets	131,866	16,480	148,346
Noncurrent assets			
Restricted cash and cash equivalents	—	152	152
Accounts receivable, net	—	—	—
Lease receivable, net of current portion	5,164	—	5,164
P3 receivable, net of current portion	—	—	—
Notes receivable, net of current portion	—	—	—
Student loans receivable, net	652	—	652
Pledge receivable, net	—	1,402	1,402
Endowment investments	—	17,730	17,730
Other long-term investments	65,601	141	65,742
Capital assets, net	223,345	7,425	230,770
Other assets	23	181	204
Total noncurrent assets	294,785	27,031	321,816
Total assets	426,651	43,511	470,162
Deferred Outflows of Resources			
Deferred outflows of resources	126,852	—	126,852
Liabilities			
Current liabilities			
Accounts payable	4,450	423	4,873
Accrued salaries and benefits	12,848	22	12,870
Accrued compensated absences, current portion	3,139	96	3,235
Unearned revenues	6,152	90	6,242
Lease liabilities, current portion	696	358	1,054
SBITA liabilities, current portion	210	—	210
Long-term debt obligations, current portion	2,190	—	2,190
Claims liability for losses and loss adjustment expenses, current portion	—	—	—
Depository accounts	622	—	622
Other liabilities	1,781	1	1,782
Total current liabilities	32,088	990	33,078

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Total
Noncurrent liabilities			
Accrued compensated absences, net of current portion	\$ 4,009	—	4,009
Unearned revenues	4,318	—	4,318
Grants refundable	83	—	83
Lease liabilities, net of current portion	1,594	4,014	5,608
SBITA liabilities, net of current portion	219	—	219
Long-term debt obligations, net of current portion	73,517	—	73,517
Claims liability for losses and loss adjustment expenses, net of current portion	—	—	—
Depository accounts	—	—	—
Other postemployment benefits liability	300,687	1,506	302,193
Net pension liability	199,293	2,280	201,573
Other liabilities	—	—	—
Total noncurrent liabilities	583,720	7,800	591,520
Total liabilities	615,808	8,790	624,598
Deferred Inflows of Resources			
Deferred inflows of resources	130,815	—	130,815
Net Position			
Net position			
Net investment in capital assets	149,259	2,522	151,781
Restricted for			
Nonexpendable – endowments	—	16,158	16,158
Expendable			
Scholarships and fellowships	—	2,406	2,406
Research	—	—	—
Loans	782	—	782
Capital projects	—	—	—
Debt service	1	—	1
Others	450	4,866	5,316
Unrestricted	(343,612)	8,769	(334,843)
Total net position	\$ (193,120)	34,721	(158,399)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS
Statement of Revenues , Expenses, and Changes in Net Position
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>	<u>Discretely presented component units</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$48,089)	\$ 39,429	—	—	39,429
Grants and contracts, noncapital				
Federal	4,883	—	—	4,883
State	2,045	—	—	2,045
Local	748	—	—	748
Nongovernmental	949	—	—	949
Sales and services of educational activities	318	115	—	433
Sales and services of auxiliary enterprises (net of University scholarship allowances of \$1,934)	5,647	1,230	—	6,877
Other operating revenues	9,105	7,762	(388)	16,479
Total operating revenues	63,124	9,107	(388)	71,843
Expenses				
Operating expenses				
Instruction	91,656	121	(97)	91,680
Research	1,304	—	—	1,304
Public service	1,304	—	—	1,304
Academic support	18,978	93	(13)	19,058
Student services	35,189	6,283	(57)	41,415
Institutional support	28,531	1,004	(366)	29,169
Operation and maintenance of plant	21,692	624	(19)	22,297
Student grants and scholarships	34,459	700	(709)	34,450
Auxiliary enterprise expenses	6,545	1,948	—	8,493
Depreciation and amortization	10,195	652	—	10,847
Total operating expenses	249,853	11,425	(1,261)	260,017
Operating loss	(186,729)	(2,318)	873	(188,174)
Nonoperating revenues (expenses)				
State appropriations, noncapital	117,378	—	—	117,378
Federal financial aid grants, noncapital	28,309	—	—	28,309
State financial aid grants, noncapital	31,081	—	—	31,081
Local financial aid grants, noncapital	—	—	—	—
Nongovernmental and other financial aid grants, noncapital	—	—	(817)	(817)
Other federal nonoperating grants, noncapital	4,839	—	—	4,839

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Revenues , Expenses, and Changes in Net Position

Year ended June 30, 2023

(In thousands)

	Campus	Discretely presented component units	Eliminations	Total
Nonoperating revenues (expenses), <i>continued</i>				
Gifts, noncapital	\$ 740	1,588	(56)	2,272
Investment income, net	5,898	185	—	6,083
Endowment income, net	—	1,395	—	1,395
Interest expense	(2,688)	(5)	—	(2,693)
Other nonoperating revenues	1,565	203	—	1,768
Net nonoperating income	187,122	3,366	(873)	189,615
Income before other revenues	393	1,048	—	1,441
State appropriations, capital	—	—	—	—
Grants and gifts, capital	98	—	—	98
Additions (reductions) to permanent endowments	—	—	—	—
Increase in net position	491	1,048	—	1,539
Net position				
Net position at beginning of year	(193,611)	33,673	—	(159,938)
Net position at end of year	\$ (193,120)	34,721	—	(158,399)

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from operating activities	
Student tuition and fees	\$ 39,405
Federal grants and contracts	6,857
State grants and contracts	5,797
Local grants and contracts	765
Nongovernmental grants and contracts	562
Payments to suppliers	(43,577)
Payments to employees	(105,290)
Payments for benefits	(52,755)
Payments to students	(34,613)
Collections of student loans	102
Sales and services of educational activities	318
Sales and services of auxiliary enterprises	3,887
Other receipts	7,952
Net cash used in operating activities	<u>(170,590)</u>
Cash flows from noncapital financing activities	
State appropriations	106,775
Federal financial aid grants	28,309
State financial aid grants	31,081
Nongovernmental and other financial aid grants	—
Other federal nonoperating grants	4,839
Gifts and grants received for other than capital purposes	740
Federal loan program receipts	22,875
Federal loan program disbursements	(22,939)
Monies received on behalf of others	1,548
Monies disbursed on behalf of others	(1,412)
Principal paid on long-term debt	—
Interest paid on long-term debt	—
Issuance of notes receivable	—
Principal collections on leases receivable	—
Interest collections on leases receivable	—
Principal collections on notes receivable	—
Interest collections on notes receivable	—
Other noncapital financing activities	1,060
Net cash provided by noncapital financing activities	<u>172,876</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows
Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Cash flows from capital and related financing activities	
Proceeds from capital debt	\$ —
State appropriations	—
Capital grants and gifts	196
Proceeds from sale of capital assets	12
Acquisition of capital assets	(15,637)
Principal paid on capital debt and leases	(2,838)
Interest paid on capital debt and leases	(3,496)
Principal collection on leases receivable	239
Interest collection on leases receivable	—
Net cash used in capital and related financing activities	<u>(21,524)</u>
Cash flows from investing activities	
Proceeds from sales of investments	357,742
Purchases of investments	(340,548)
Investment income proceeds	2,044
Net cash provided by investing activities	<u>19,238</u>
Net increase (decrease) in cash and cash equivalents	<u>—</u>
Cash and cash equivalents at beginning of year, as restated	—
Cash and cash equivalents at end of year	<u>\$ —</u>
Reconciliation of operating loss to other receipts:	
Operating loss	\$ (186,729)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	10,195
Change in assets and liabilities	
Accounts receivable, net	1,846
Student loans receivable, net	7
Prepaid expenses and other current assets	103
Other assets	2
Deferred outflows of resources	(38,691)
Accounts payable	(213)
Accrued salaries and benefits	694
Accrued compensated absences	573
Unearned revenues	2,350
Other postemployment benefits liability	(44,635)
Net pension liability	69,750
Other liabilities	(251)
Deferred inflows of resources	14,409
Net cash used in operating activities	<u>\$ (170,590)</u>

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Statement of Cash Flows
 Year ended June 30, 2023

(In thousands)

	<u>Campus</u>
Supplemental schedule of noncash transactions	
State's contribution for OPEB	\$ 10,603
Change in unrealized gain on investments	3,838
Gifts in kind - noncapital	740
BAN proceeds paid directly to escrow agent by bank	—
Change in capital assets due to leases	—
Amortization of net bond premium	399
Change in capital assets due to implementation of GASB Statement No. 96	164

See accompanying independent auditors' report.

CALIFORNIA STATE UNIVERSITY, STANISLAUS

Transactions with Related Entities

Year ended June 30, 2023

(In thousands)

	Campus
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$ 16
Payments from discretely presented component units for other than salaries	5,381
Payments to discretely presented component units for services, space, and programs	7,858
Gifts in kind from discretely presented component units	—
Gifts (cash or assets) from discretely presented component units	108
Accounts receivable from discretely presented component units	259
Other amounts receivable from discretely presented component units	—
Accounts payable to discretely presented component units	(994)
Other amounts payable to discretely presented component units	—
Payments to the Office of the Chancellor for administrative activities	384
Payments to the Office of the Chancellor for state pro rata charges	49
Accounts receivable from the Office of the Chancellor	62
Accounts receivable from campuses other than the Office of the Chancellor	2
Accounts payable to campuses other than the Office of the Chancellor	(190)
State lottery allocation received	1,094
Other interagency payments (receipts) for services, space, and programs	152

See accompanying independent auditors' report.



CSU The California State University

401 Golden Shore, Long Beach, CA 90802

www.calstate.edu

SINGLE AUDIT REPORTS

2022-2023



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INDEPENDENT AUDITORS' REPORT





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

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The Board of Trustees
California State University:

We have audited, in accordance with the 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, the financial statements of the business-type activities and the aggregate discretely presented component units of the California State University (the University) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 27, 2024.

Except for the financial statements of the California State University Institute and the California State University Risk Management Authority, we did not audit the financial statements of the other discretely presented component units, which represent 95.58% and 92.77%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2023 and for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Los Angeles, California
March 27, 2024



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

**Independent Auditors' Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Trustees
California State University:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited California State University's (the University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The University's basic financial statements include the operations of the University's discretely presented component units, which expended federal awards totaling \$458,332,965, which are not included in the University's schedule of expenditures of federal awards for the year ended June 30, 2023. Our compliance audit, described in the Opinion on Each Major Federal Program section of our report does not include the operations of these component units because the component units engaged other auditors to perform audits in accordance with the requirements of the Uniform Guidance.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.



Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University, an agency of the State of California, as of and for the year ended June 30, 2023, and have issued our report thereon dated March 27, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Los Angeles, California
March 27, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



CALIFORNIA STATE UNIVERSITY
 Schedule of Expenditures of Federal Awards
 Year ended of June 30, 2023

Student Financial Assistance Cluster:

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
Department of Education	84.007	Student Financial Assistance	Federal Supplemental Educational Opportunity Grants (FSEOG)	Direct Award		\$ 22,857,330	\$ —
	84.033	Student Financial Assistance	Federal Work-Study Program (FWS)	Direct Award		21,066,834	—
	84.038	Student Financial Assistance	Federal Perkins Loan Program (PERKINS LOAN advanced and ACA)	Direct Award		23,415,351	—
	84.063	Student Financial Assistance	Federal Pell Grant Program (PELL)	Direct Award		1,029,436,175	—
	84.268	Student Financial Assistance	Federal Direct Student Loans (DIRECT LOAN)	Direct Award		1,178,189,870	—
	84.379	Student Financial Assistance	Teacher Education Assistance for College and Higher Education Grants (TEACH)	Direct Award		1,598,955	—
	84.408	Student Financial Assistance	Postsecondary Education Scholarships for Veteran's Dependents (VETERANS)	Direct Award		5,547	—
Department of Education Total						2,276,570,063	—
Department of Health and Human Services	93.364	Student Financial Assistance	Nursing Student Loans (NURSING LOAN)	Direct Award		2,302,489	—
Department of Health and Human Services Total						2,302,489	—
Student Financial Assistance Cluster Total						\$ 2,278,872,552	\$ —

Other Programs and Clusters:

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients	
U.S. Department of Agriculture	10.223		Hispanic Serving Institutions Education Grants	Direct Award		\$ 126,272	\$ —	
	10.558		Child and Adult Care Food Program	Pass-through California Department of Education	04346-CACFP-12-HU-CS	31,450	—	
	10.561	SNAP CLUSTER		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Pass-through CSU Chico Research Foundation	A22-0055-S007	9,664	—
						Sub A22-055-S018	129,139	—
						A22-0055-S014	17,144	—
						A21-0034-S012	920	—
						A22-0055-S036	152,364	—
10.561 Total						309,231	—	
U.S. Department of Agriculture Total						466,953	—	
U.S. Department of Commerce	11.028		Connecting Minority Communities Pilot Program	Direct Award		246,902	246,902	
	11.419		Coastal Zone Management Administration Awards	Pass-through The Regents of the University of Michigan	SUBK00014140	15,042	10,194	
				Pass-through Chico State Enterprises	A22-0055-S042	16,578	—	
	11.419 Total						31,620	10,194
11.429		Marine Sanctuary Program	Direct Award		22,203	—		
U.S. Department of Commerce Total						300,726	257,096	
U.S. Department of Defense	12.550		The Language Flagship Grants to Institutions of Higher Education	Pass-through Institute of International Education	0054-SFSU-8-SSC-280-PO10	15,000	—	
					BOR21-SFSU-7-AM-PO2	120,645	—	
					BOR21-SFSU-7-CHN-PO1	268,627	—	
					BOR21-SFSU-7-SSC-PO3	25,030	—	
	12.550 Total						429,303	—
12.630		Basic, Applied, and Advanced Research in Science and Engineering	Pass-through National Science Teaching Association	22-871-038	19,477	—		
12.900		Language Grant Program	Direct Award		302,020	—		
U.S. Department of Defense Total						750,800	—	
U.S. Department of Defense [not classified elsewhere]	12.U01		U.S. Department of Defense [not classified elsewhere]	Pass-through Chico State Enterprises	SUB18-046	176,287	—	
U.S. Department of Defense [not classified elsewhere] Total						176,287	—	
U.S. Department of the Interior	15.224		Cultural and Paleontological Resources Management	Pass-through San Francisco State University	S22-0002	9,845	—	
	15.904		Historic Preservation Fund Grants-In-Aid	Direct Award		1,000	—	
	15.945		Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		58,973	—	
U.S. Department of the Interior Total						69,818	—	
U.S. Department of Justice	16.525		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	Pass-through Historic Preservation, Office of (OHP)	C8965531	88,777	—	
	16.575		Crime Victim Assistance	Direct Award		310,867	—	
	16.922		Equitable Sharing Program	Pass-through Orange County Sheriff's Department - Regional Narcotics Suppression Program	RSNP 07252013	129,962	—	
U.S. Department of Justice Total						529,606	—	
U.S. Department of Transportation	20.819		Ballast Water Treatment Technologies	Direct Award		7,283	—	
U.S. Department of Transportation Total						7,283	—	
U.S. Department of the Treasury	21.027		Coronavirus State And Local Fiscal Recovery Funds	Pass-through California Volunteers, Office of the Governor	CCSFRF011	551,312	—	
U.S. Department of the Treasury Total						551,312	—	
National Endowment for the Humanities	45.129		Promotion of the Humanities Federal/State Partnership	Pass-through California Humanities	HFAP20-83	18,881	—	
					RP-3019	7,834	—	
					Pass-through Western States Arts Federation	TW20200170	4,052	—
	45.129 Total						30,768	—
	45.160		Promotion of the Humanities Fellowships and Stipends	Direct Award		29,934	—	
45.160 Total						15,493	—	
45.160 Total						45,427	—	

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
	45.163		Promotion of the Humanities Professional Development	Pass-through California Humanities	RP-2052	200,179	—
	45.164		Promotion of the Humanities Public Programs	Pass-through Association of Tribal Archives, Libraries & Museums	27	1,231	—
National Endowment for the Humanities Total						277,604	—
National Endowment for the Arts	45.024		Promotion of the Arts Grants to Organizations and Individuals	Direct Award		10,891	—
	45.025		Promotion of the Arts Partnership Agreements	Pass-through County Of Sonoma (Non-SCOE)	AGREEMENT 6.8.2021	4,000	—
National Endowment for the Arts Total						14,891	—
National Science Foundation	47.076		STEM Education (formerly Education and Human Resources)	Pass-through CSU - Sacramento University Enterprise	533004	10,000	—
					533005-A5	9,190	—
47.076 Total						19,190	—
National Science Foundation Total						19,190	—
Small Business Administration	59.075		Shuttered Venue Operators Grant Program	Direct Award		55,367	—
Small Business Administration Total						55,367	—
U.S. Department of Veterans Affairs	64.204		Veterans Legacy Grants Program	Direct Award		408,877	—
U.S. Department of Veterans Affairs Total						408,877	—
U.S. Department of Environment Protection Agency	66.461		Regional Wetland Program Development Grants	Direct Award		54,893	—
				Pass-through Association of Bay Area Governments	CD 99T93501	10,872	—
66.461 Total						65,765	—
U.S. Department of Environment Protection Agency Total						65,765	—
U.S. Department of Energy	81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Direct Award		320,082	—
U.S. Department of Energy Total						320,082	—
U.S. Department of Education	84.031		Higher Education Institutional Aid	Direct Award		3,878,075	—
				Pass-through Ventura County Community College District	OC2122-13-S01	9,119	—
				Pass-through San Mateo County Community College District	681233	61,107	—
					P031S160245	38,349	—
84.031 Total						3,986,651	—
	84.042	TRIO CLUSTER	TRIO Student Support Services	Direct Award		1,011,292	—
				Pass-through Missouri State University	16043-007	761,445	—
84.042 Total						1,772,738	—
	84.044	TRIO CLUSTER	TRIO Talent Search	Direct Award		868,343	—
	84.047	TRIO CLUSTER	TRIO Upward Bound	Direct Award		2,680,538	—
	84.103		TRIO Staff Training Program	Direct Award		722,228	—
	84.129		Rehabilitation Long-Term Training	Direct Award		441,149	—
	84.217	TRIO CLUSTER	TRIO McNair Post-Baccalaureate Achievement	Direct Award		438,338	—
	84.235		Rehabilitation Services Demonstration and Training Programs	Direct Award		239,009	—
	84.325		Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	Direct Award		431,626	—
	84.326		Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	Direct Award		592,993	—
	84.335		Child Care Access Means Parents in School	Direct Award		593,389	—
	84.365		English Language Acquisition State Grants	Direct Award		1,067,213	—
	84.367		Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Direct Award		25,731	—
				Pass-through Regents of the University of California	ESSA18-CMP-STANISLAUS	1,687	—
					ESSA21-CGEP-STANISLAUS	227	—
					ESSA21-CMP-STANISLAUS	3,924	—
					ESSA22-CMP-STANISLAUS	24,223	—
					ESSA22-CWP-STANISLAUS	38,141	—
84.367 Total						93,933	—
	84.382		Strengthening Minority-Serving Institutions	Direct Award		40,829	—
	84.411		Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	Direct Award		581,258	321,250
				Pass-through National Writing Project	92-CA10-20213WNWS	2,256	—
84.411 Total						583,514	321,250
	84.425E		COVID-19 Higher Education Emergency Relief Fund-Student Aid Portion	Direct Award		12,579,884	—
				Pass-through Regents of the University of California	0070-S-ZB859	11,315	—
84.425E Total						12,591,199	—
	84.425F		COVID-19 Higher Education Emergency Relief Fund-Institutional Portion	Direct Award		213,948,922	—
				Pass-through Regents of the University of California	ESSA20-CMP-SONOMA	2,410,077	—
84.425F Total						216,358,999	—
	84.425L		COVID-19 Higher Education Emergency Relief Fund-Minority Serving Institutions	Direct Award		26,787,723	—
	84.425T		COVID-19 Higher Education Emergency Relief Fund-Supplemental Support under American Rescue Plan (SSARP)	Direct Award		1,716,136	—
U.S. Department of Education Total						272,006,548	321,250

CALIFORNIA STATE UNIVERSITY
 Schedule of Expenditures of Federal Awards
 Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services	93.157		Centers of Excellence	Pass-through The Regents of The University of California, San Francisco	11245sc	9,371	—
	93.391		Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Pass-through The Regents of The University of California, San Francisco	13665sc	51,172	—
	93.575		Child Care and Development Block Grant	Pass-through California Department of Education	CCTR-2051	8,392	—
	93.600		Head Start	Pass-through California Department of Education	15291, 15292	116,936	—
	93.658		Foster Care Title IV-E	Pass-through The Regents of The University of California, Berkeley	11216	1,133,132	—
				Pass-through Regents of the University of California	20-3019 22-3033	8,973 1,231,229	— —
	93.658 Total					2,373,334	—
	93.732		Mental and Behavioral Health Education and Training Grants	Direct Award		469,597	—
				Pass-through The Regents of The University of California, Berkeley	9668	60,338	—
	93.732 Total					529,934	—
U.S. Department of Health and Human Services Total						3,089,140	—
Corporation for National and Community Service	94.006		AmeriCorps State and National 94.006	Pass-through Jumpstart for Young Children, Inc.	CFDA-94.006-JS-SITE #322	60,124	—
					JS-SITE #322	225,776	—
				Pass-through California Volunteers	20AFHY27-F211	5,804	—
	94.006 Total					291,704	—
94.013		AmeriCorps Volunteers In Service to America 94.013	Direct Award		62,680	—	
Corporation for National and Community Service Total						354,384	—
U.S. Department of Homeland Security	97.036		Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Direct Award		552,386	—
				Pass-through California Governor's Office of Emergency Services	Cal OES ID: 000-92068	82,589	—
					FEMA-4482-DR-CA, Cal OES ID:000-92067	2,033,360	—
					FEMA 4482 DR CA, Cal OES ID:000 92259	316,489	—
					FEMA-4482-DR-CA,CAL OES ID:000-92066	1,371,287	1,371,287
	97.036 Total					4,356,111	1,371,287
97.039		Hazard Mitigation Grant	Pass-through Regents of the University of California	ESSA21-CMP-SONOMA	408,311	—	
97.067		Homeland Security Grant Program	Direct Award		23,560	—	
U.S. Department of Homeland Security Total						4,787,982	1,371,287
Other Programs and Clusters Total						\$ 284,252,615	\$ 1,949,633

Research and Development (R&D) Cluster:

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
U.S. Department of Agriculture	10.664	Research and Development	Cooperative Forestry Assistance	Direct Award		\$ 85,771	\$ —
	10.699	Research and Development	Partnership Agreements	Direct Award		1,223	—
U.S. Department of Agriculture Total						86,994	—
U.S. Department of Commerce	11.012	Research and Development	Integrated Ocean Observing System (IOOS)	Pass-through Monterey Bay Aquarium Research Institute	1611290	19,380	—
					2111126	105,776	—
	11.012 Total					125,156	—
	11.417	Research and Development	Sea Grant Support	Pass-through CSU Monterey Bay	22063-Kaner-CASG	111,234	—
				Pass-through Regents of the University of California	A21-1572-S003	70,592	—
				Pass-through The Regents of The University of California, San Diego	115695621 (S9002320)	108	—
				Pass-through University Of California, San Diego	KR 705235	10,000	—
	11.417 Total					191,934	—
	11.419	Research and Development	Coastal Zone Management Administration Awards	Pass-through South Carolina Department of Natural Resources	P24018100321	3,064	—
				Pass-through The Regents of the University of Michigan	SUBK00016848	86,339	18,169
	11.419 Total					89,404	18,169
	11.420	Research and Development	Coastal Zone Management Estuarine Research Reserves	Direct Award		518,147	—
				Pass-through Merkel & Associates, Inc.	3002.19.065658	136,319	—
	11.420 Total					654,466	—
	11.454	Research and Development	Unallied Management Projects	Direct Award		16,712	—
11.469	Research and Development	Congressionally Identified Awards and Projects	Pass-through Greater Farallones Association	AGREEMENT 4.25.23	19,948	—	
11.478	Research and Development	Center for Sponsored Coastal Ocean Research Coastal Ocean Program	Pass-through Northwest Indian College	NWIC-22907SA-SFSU	49,634	—	
11.999	Research and Development	Marine Debris Program	Direct Award		34,553	—	
U.S. Department of Commerce Total						1,181,806	18,169
U.S. Department of Defense	12.006	Research and Development	National Defense Education Program	Direct Award		13,712	—
	12.300	Research and Development	Basic and Applied Scientific Research	Pass-through National Marine Mammal Foundation	2833-1	21,875	—
				Pass-through Regents of the University of California	A23-0203-S001; A18-0896-S001-P06921	11,088	—
12.300 Total					32,963	—	

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
	12.431	Research and Development	Basic Scientific Research	Direct Award		51,469	—
	12.630	Research and Development	Basic, Applied, and Advanced Research in Science and Engineering	Direct Award		478,965	—
U.S. Department of Defense Total						577,108	—
U.S. Department of the Interior	15.512	Research and Development	Central Valley Improvement Act, Title XXXIV	Direct Award		6,659	—
	15.564	Research and Development	Central Valley Project Conservation	Direct Award		256,108	—
	15.608	Research and Development	Fish and Wildlife Management Assistance	Direct Award		1,866	—
	15.657	Research and Development	Endangered Species Recovery Implementation	Pass-through Fish & Wildlife, Department of (DFW)	F18AC00359	539	—
	15.664	Research and Development	Fish and Wildlife Coordination and Assistance	Direct Award		9,902	—
	15.808	Research and Development	U.S. Geological Survey Research and Data Collection	Direct Award		67,207	—
	15.810	Research and Development	National Cooperative Geologic Mapping	Direct Award		46,547	—
	15.945	Research and Development	Cooperative Research and Training Programs – Resources of the National Park System	Direct Award		7,424	—
U.S. Department of the Interior Total						396,251	—
U.S. Department of Justice	16.560	Research and Development	National Institute of Justice Research, Evaluation, and Development Project Grants	Direct Award		49,592	—
U.S. Department of Justice Total						49,592	—
U.S. Department of Transportation	20.819	Research and Development	Ballast Water Treatment Technologies	Direct Award		2,846	—
U.S. Department of Transportation Total						2,846	—
U.S. Department of the Treasury	21.017	Research and Development	Social Impact Partnerships to Pay for Results Act (SIPPRA)	Pass-through Univ of CA Los Angeles	1184SLA07000	42,074	—
U.S. Department of the Treasury Total						42,074	—
National Aeronautics and Space Administration	43.001	Research and Development	Science	Direct Award		1,625,689	651,803
				Pass-through Secor Strategies, LLC	AWARD LTR 12.12.22	956	—
				Pass-through Smithsonian Astrophysical Observatory	GO9-20082A	9,610	—
				Pass-through The Regents of the University Of Colorado	1559320	6,019	—
				Pass-through The Washington University	WU-21-274	11,393	—
				Pass-through University Of New Hampshire	L0082	260,143	—
	43.001 Total					1,913,810	651,803
	43.008	Research and Development	Office of Stem Engagement (OSTEM)	Pass-through Regents of the University of California	AWARD NOTICE 4.11.22	13,796	—
National Aeronautics and Space Administration Total						1,927,605	651,803
National Endowment for the Humanities	45.161	Research and Development	Promotion of the Humanities Research	Direct Award		65,770	16,019
	45.169	Research and Development	Promotion of the Humanities Office of Digital Humanities	Direct Award		16,476	—
National Endowment for the Humanities Total						82,246	16,019
National Science Foundation	47.041	Research and Development	Engineering	Direct Award		327,073	12,222
				Pass-through The Regents of The University of California, Berkeley	10631	5,352	—
				Pass-through The Trustees of Tufts College	104482	10,908	—
	47.041 Total					343,334	12,222
	47.049	Research and Development	Mathematical and Physical Sciences	Direct Award		326,008	—
				Pass-through CSU Cal Poly Corporation - SLO	2218943	30,130	—
				Pass-through Regents of the University of California	0757 G YA149	218,857	—
				Pass-through San Jose State University Research Fdn	21-1504-6328-CSUCI	11,757	—
	47.049 Total					586,753	—
	47.050	Research and Development	Geosciences	Direct Award		223,376	—
				Pass-through The Regents of The University of California	10619	19,915	—
				Pass-through Yale University	GR104085(CON-80001397)	55,742	—
	47.050 Total					299,033	—
	47.070	Research and Development	Computer and Information Science and Engineering	Direct Award		379,796	17,230
				Pass-through Lawrence Livermore National Laboratory	B645313	36,183	—
	47.070 Total					415,978	17,230
	47.074	Research and Development	Biological Sciences	Direct Award		2,149,461	37,888
				Pass-through Carnegie Institute of Washington	11054-1312-06	86,648	—
				Pass-through The Regents of The University of California, San Francisco	13461sc	460,911	—
				Pass-through University of Notre Dame	9807sc	79,485	—
				Pass-through University of Notre Dame	204386CSUCI	8,155	—
	47.074 Total					2,784,661	37,888
	47.075	Research and Development	Social, Behavioral, and Economic Sciences	Direct Award		282,811	3,319
				Pass-through The Regents of the University of Colorado	1559878	222	—
	47.075 Total					283,034	3,319

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients	
	47.076	Research and Development	STEM Education (formerly Education and Human Resources)	Direct Award		4,993,548	718,281	
				Pass-through California State University Fresno Foundation	SC351056-21-03	1,999	—	
					SC351056-21-04	3,001	—	
				Pass-through CSU Fresno Foundation	SC351056-21-02	14,466	—	
				Pass-through CSU San Marcos Corporation	92453-85295	13,893	—	
				Pass-through Smith-Kettlewell Eye Research Institute	8201303-SFSU	24,042	—	
				Pass-through The University of Texas at El Paso	226100998E	104,662	—	
				Pass-through University Enterprises, Inc. Sacramento State	HRD-1826490	14,110	—	
					533041	9,331	—	
					532844	1,736	—	
					532845-A5	15,000	—	
				Pass-through University of Texas at El Paso	1643944	43,899	—	
					2221680	78,511	—	
				Pass-through University of Texas Rio Grande Valley	1906883(3)	25,982	—	
47.076 Total						5,344,179	718,281	
	47.079	Research and Development	Office of International Science and Engineering	Direct Award		2,172	—	
				Pass-through Cal Poly Corporation	2023-3-51689	3,294	—	
47.079 Total						5,466	—	
	47.084	Research and Development	NSF Technology, Innovation, and Partnerships	Direct Award		2,500	—	
National Science Foundation Total						10,064,937	788,940	
U.S. Department of Energy	81.049	Research and Development	Office of Science Financial Assistance Program	Direct Award		295,276	—	
	81.123	Research and Development	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	Pass-through Lawrence Livermore National Laboratory	B652704	14,425	—	
U.S. Department of Energy Total						309,701	—	
U.S. Department of Education	84.031	Research and Development	Higher Education Institutional Aid	Pass-through Cal Poly Pomona Foundation, Inc.	S21-000335-CSUCO	1,599	—	
				Pass-through CSU Bakersfield, Auxiliary for Sponsored Programs Administration	GRA10125	1,703	—	
				Pass-through CSU Fullerton Auxiliary Services Corporation	S-7709-CO	1,718	—	
84.031 Total						5,020	—	
U.S. Department of Education Total						5,020	—	
U.S. Department of Health and Human Services	93.084	Research and Development	Prevention of Disease, Disability, and Death by Infectious Diseases	Pass-through The Regents of The University of California, Davis	A23-0750-S001	81,355	—	
	93.121	Research and Development	Oral Diseases and Disorders Research	Pass-through University of Maryland	121179-Z0590203	2,573	—	
	93.242	Research and Development	Mental Health Research Grants	Pass-through The Regents of The University of California, San Francisco	13294sc	10,377	—	
				Pass-through Trustees of Boston University	4500003259	68,959	—	
	93.242 Total						79,336	—
	93.273	Research and Development	Alcohol Research Programs	Pass-through Columbia University	1(GG014711-01)	10,792	—	
	93.307	Research and Development	Minority Health and Health Disparities Research	Pass-through Drexel University	900242	261,448	—	
	93.310	Research and Development	Trans-NIH Research Support	Direct Award		3,794,139	582,232	
	93.353	Research and Development	21st Century Cures Act - Beau Biden Cancer Moonshot	Pass-through The Regents of The University of California, San Francisco	12519sc	6,790	—	
	93.394	Research and Development	Cancer Detection and Diagnosis Research	Pass-through The Regents of The University of California, San Francisco	13147sc	25,883	—	
	93.399	Research and Development	Cancer Control	Pass-through The Regents of The University of California, San Francisco	13951sc	32,179	—	
					13952sc	32,179	—	
	93.399 Total						64,358	—
	93.837	Research and Development	Cardiovascular Diseases Research	Direct Award		442,995	125,286	
				Pass-through Research Foundation for Mental Hygiene, Inc	PO# 152304	43,791	—	
	93.837 Total						486,786	125,286
93.847	Research and Development	Diabetes, Digestive, and Kidney Diseases Extramural Research	Pass-through The Regents of The University of California, San Francisco	12378sc	92,343	—		
93.855	Research and Development	Allergy and Infectious Diseases Research	Direct Award		53,808	705		
			Pass-through University of Pittsburgh	CNVA00056912 (131728-1)	48,270	—		
93.855 Total						102,078	705	
93.859	Research and Development	Biomedical Research and Research Training	Direct Award		3,296,720	29,387		
			Pass-through St. John's University	35712	50	—		
			Pass-through The Regents of The University of California, San Francisco	10339sc	86,928	—		
93.859 Total						3,383,699	29,387	
93.865	Research and Development	Child Health and Human Development Extramural Research	Direct Award		58,835	—		
			Pass-through Children's Hospital of Los Angeles	00013656-A	14,883	—		
93.865 Total						73,718	—	
93.866	Research and Development	Aging Research	Pass-through Stanford University	61933281-133224	42,885	—		
			Pass-through The Regents of The University of California, San Francisco	10295sc	30,359	—		
				13029sc	14,684	—		
			Pass-through University of South Carolina	20-3976	58,380	—		
93.866 Total						227,845	—	

CALIFORNIA STATE UNIVERSITY
Schedule of Expenditures of Federal Awards
Year ended of June 30, 2023

Federal Grantor Agency	ALN	Cluster Name	Federal Program Name	Direct Award or Pass-through Entity	Pass-through Entity Identifying Number	Amount Expended	Amounts Provided to Subrecipients
	93.879	Research and Development	Medical Library Assistance	Pass-through The Regents of The University of California, San Francisco	13806sc	13,515	—
				Pass-through University of Washington	168318	24,719	—
	93.879 Total					38,234	—
U.S. Department of Health and Human Services Total						8,731,378	737,610
U.S. Department of Defense [not classified elsewhere]	RD04	Research and Development	U.S. Department of Defense [not classified elsewhere]	Pass-through University Of California, Santa Cruz	A20-0287-S001	82,754	—
U.S. Department of Defense [not classified elsewhere] Total						82,754	—
U.S. Department of Energy [not classified elsewhere]	RD01	Research and Development	SENSEI [not classified elsewhere]	Pass-through The Regents of The University of California, Lawrence Berkeley National Laboratory	7668082	26,641	—
	RD02	Research and Development	Machine Learning Based Model [not classified elsewhere]	Pass-through The Regents of The University of California, Lawrence Berkeley National Laboratory	7667186	76,941	—
U.S. Department of Energy [not classified elsewhere] Total						103,582	—
U.S. Department of Health and Human Services [not classified elsewhere]	RD03	Research and Development	NIH Infant and Toddler Toolbox [not classified elsewhere]	Pass-through Northwestern University	SP0070625 60061130 TO 3 SFSU	27,890	—
					SP0077551 A00- COA TO 4	31,282	—
	RD03 Total					59,172	—
U.S. Department of Health and Human Services [not classified elsewhere] Total						59,172	—
Research and Development (R&D) Cluster Total						\$ 23,703,066	\$ 2,212,541
Total expenditures of federal awards						\$ 2,586,828,232	\$ 4,162,173

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



CALIFORNIA STATE UNIVERSITY

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

(1) General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the California State University (the University). The University does not consider itself a subrecipient of federal funds when those funds are received as payments for services rendered to individual auxiliary organizations mostly foundations, which are discretely presented component units in the basic financial statements of the University. Accordingly, these amounts are not reflected in the accompanying Schedule.

For purposes of the Schedule, federal awards include all grants; and contracts entered into directly between the University and agencies and departments of the federal government and pass-through agencies. The awards are classified into program categories in accordance with the provisions of the Uniform Guidance.

(2) Basis of Accounting

The information in the accompanying Schedule is prepared on the accrual basis of accounting and presented in accordance with the requirements of the Uniform Guidance. Some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

(3) Loan Programs

Total loans outstanding under the Federal Perkins Loan Program and the Nursing Student Loan Program are \$15,963,985 and \$1,972,338, respectively, at June 30, 2023. The amounts included in the accompanying Schedule consist of the beginning balances of the loans, loans advanced to students during the year and the administrative cost allowance for the year ended June 30, 2023.

(4) Administrative Cost Allowances

Administrative cost allowances included in the accompanying Schedule are summarized as follows:

Federal Pell Grant Program	\$	756,425
Federal Perkins Loan Program		77,858
Federal Work-Study Program		1,060,381
Federal Supplemental Educational Opportunity Grant Program		346,245
Total administrative cost allowances	\$	<u>2,240,909</u>

(5) Indirect Cost Rate

The University did not elect to use the 10% de minimis indirect cost rate as discussed in the Uniform Guidance Section 200.414. For all sponsored programs where indirect costs are allowed to be claimed, the rates approved by the University's cognizant agency were used.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



CALIFORNIA STATE UNIVERSITY
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2023

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
 - Material weaknesses: **No**
 - Significant deficiencies: **No**
- (c) Noncompliance material to the financial statements: **No**
- (d) Internal controls deficiencies over major programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **Yes**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes**
- (g) Major Programs

Federal Assistance Listing Number	Name of federal program or cluster
Various	Student Financial Assistance Cluster
84.031	Higher Education Institutional Aid
84.042, 84.044, 84.047, 84.217	TRIO Cluster
84.425E, 84.425F, 84.425L, 84.425T	COVID-19 - Higher Education Emergency Relief Fund
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as low-risk auditee? **Yes**

(2) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

None.

CALIFORNIA STATE UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

(3) Federal Awards Findings and Questioned Costs

Finding 2023-001

Compliance Requirement: Enrollment Reporting — Significant Deficiency in Internal Control and Instance of Noncompliance

Campus: San Jose

Cluster name/program: Student Financial Assistance Cluster

Federal Assistance Listing Numbers: 84.063 Federal Pell Grant Program, 84.038 Federal Perkins Loan Program, 84.268 Federal Direct Student Loans, 93.364 Nursing Student Loans

Federal Agency: U.S. Department of Education

Passed through Entity: None

Award Year: July 1, 2022 - June 30, 2023

Criteria: The Code of Federal Regulations 34 CFR 690.83(b)(2), 34 CFR 682.610, 34 CFR 685.309, and 34 CFR 674.19 require institutes review, update, and certify student enrollment reporting roster on timely and accurate basis at both the campus and program level. Enrollment roster should be certified every 60 days or every other month.

Condition and Context: We reviewed 6 in-scope campuses and a sample of 40 students who graduated, withdrew, or had a change in enrollment during the fiscal year. Of the 40 students tested, 6 students' enrollment were not certified within the required 60 days period.

Cause and Effect: The campus experienced major personnel changes in the registrar office and did not have adequate staffing in place to monitor the required procedures.

Questioned Costs: None

Repeat Finding: No

Recommendation: We recommend the University increase its staff to adequate levels and provide training on the application of its existing policies and procedures.

Views of Responsible Officials: The University concurs with the recommendation. The University will further review and refine the policies and procedures to strengthen internal controls and to ensure the timely and accurate reporting to NSLDS.

CALIFORNIA STATE UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Finding 2023-002

Compliance Requirement: Reporting — Significant Deficiency in Internal Control and Instance of Noncompliance

Campus: San Bernardino

Cluster name/program: COVID 19 - Higher Education Emergency Relief Fund (HEERF)

Federal Assistance Listing Numbers: 84.425E HEERF Student Aid Portion and 84.425F HEERF Institutional Portion

Federal Agency: U.S. Department of Education

Passed through Entity: None

Award Year: July 1, 2022 - June 30, 2023

Criteria: According to 86 FR 26213 (Document Number: 2021-10196), the quarterly report must appear in a format and location that is easily accessible to the public. The information must also be updated no later than 10 days after the end of each calendar quarter (September 30, and December 31, March 31, June 30).

Condition and Context: During the single audit, two reports were untimely reported in accordance with the HEERF reporting requirements. CSU San Bernardino failed to report the required information within the 10 days required period for the quarters ending December 31, 2022 and June 30, 2023; information on the student reports was accurate but not reported on a timely basis, per the requirement.

Cause and Effect: Management failed to report in a timely manner.

Questioned Costs: None

Repeat Finding: Yes

Recommendation: We recommend the University enhance its internal controls so that appropriate controls are in place to ensure student and institutional reporting is accurate and timely in accordance with requirements set forth in the HEERF grant agreements.

Views of Responsible Officials: The University concurs with the recommendation. The University will review and enhance its procedures and internal controls to ensure reporting requirements related to the HEERF grants are met and information is reported timely and accurately.



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