

CSU The California State University
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Audited Financial Statements
A Source of Information for Bargaining

National Center for the Study of Collective Bargaining in
Higher Education and the Professions

CSU The California State University
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Audited Financial Statements

FINANCIAL STATEMENTS
June 30, 2016

Edwin S. Redkey	Falmer	Northridge	San Jose
Charles R. Swartz	Humboldt	Pomona	San Luis Obispo
Clare	Long Beach	Sacramento	San Marcos
Dominguez Hills	Los Angeles	San Bernardino	Santa Clara
East Bay	Maritime Academy	San Diego	Stanislaus
Francis	Monterey Bay	San Francisco	Stockton

- Includes 23 campuses and the Office of the Chancellor
- Attachment provide individual campus level information
- Extensive notes provide additional background and references

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Audited Financial Statements

There are three primary statements included in the audited financial statements, which are typically available on the institution web site

- Statement of Net Position**
 - Includes all assets (property, cash, investments), liabilities (payables, vacation balances, debt), and net position (fund balance)
- Statement of Revenues, Expenses, and Changes in Net Position**
 - Includes annual revenues (tuition, grants and contracts, fees, appropriations, investment earnings) and annual expenses (salaries and benefits, supplies, depreciation, bond interest)
- Statement of Cash Flows**
 - Includes sources and uses of cash during the year, deferred inflows and outflows

The Audited Financial Statements also include extensive notes that explain the figures presented as well as a management discussion and analysis

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Other Sources of Information

- Information is also available from IPEDS, but with a lag
- Use custom data files to select the following variables
 - F1415_F1A.Tuition and fees, after deducting discounts and allowances
 - F1415_F1A.Federal operating grants and contracts
 - F1415_F1A.State operating grants and contracts
 - F1415_F1A.Local/private operating grants and contracts
 - F1415_F1A.Local operating grants and contracts
 - F1415_F1A.Private operating grants and contracts
 - F1415_F1A.Sales and services of auxiliary enterprises
 - F1415_F1A.Sales and services of hospitals
 - F1415_F1A.Sales and services of educational activities
 - F1415_F1A.Independent operations
 - F1415_F1A.Other sources – operating
 - F1415_F1A.Total operating revenues

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Statement of Revenues, Expenses and Change in Net Position

Nonoperating revenues, which include state appropriations, increased 20% over the three-year period

Fiscal Year Ended June 30,	2014	2015	2016
State appropriations	\$2,345,755,000	\$2,762,018,000	\$3,007,533,000
Financial aid grants	1,441,907,000	1,611,857,000	1,699,651,000
Other income	153,674,000	94,916,000	138,334,000
Interest expense	(226,268,000)	(223,034,000)	(229,573,000)
Other nonoperating expenses	-	(105,943,000)	(168,114,000)
Net nonoperating revenues	\$3,715,068,000	\$4,139,814,000	\$4,447,831,000

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Other Sources of Information

- Information is also available from IPEDS, but with a lag
- Use custom data files to select the following variables
 - F1415_F1A.Federal appropriations
 - F1415_F1A.State appropriations
 - F1415_F1A.Local appropriations, education district taxes, and similar support
 - F1415_F1A.Federal nonoperating grants
 - F1415_F1A.State nonoperating grants
 - F1415_F1A.Local nonoperating grants
 - F1415_F1A.Gifts, including contributions from affiliated organizations
 - F1415_F1A.Investment income
 - F1415_F1A.Other nonoperating revenues
 - F1415_F1A.Total nonoperating revenues

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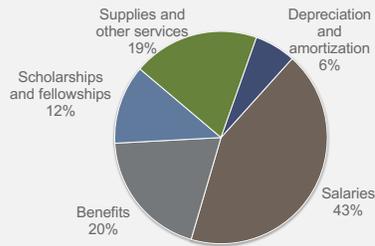
Operating expenses increased by 12% over the three-year period

Fiscal Year Ended June 30,	2014	2015	2016
Salaries	\$2,781,359,000	\$2,996,822,000	\$3,142,152,000
Benefits	1,234,294,000	1,204,398,000	1,436,817,000
Scholarships and fellowships	857,856,000	888,558,000	881,578,000
Supplies and other services	1,237,200,000	1,340,397,000	1,409,790,000
Depreciation and amortization	423,797,000	438,331,000	457,919,000
Total operating expenses	\$6,534,506,000	\$6,868,506,000	\$7,328,256,000

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FY 2015/2016 salaries and benefits comprised 63% of total operating expenses



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- Information is also available from IPEDS, but with a one year lag
- Use custom data files to select the following variables
 - F1415_F1A.Total expenses deductions - Current year total
 - F1415_F1A.Total expenses deductions - Salaries and wages
 - F1415_F1A.Total expenses deductions - Employee fringe benefits
 - F1415_F1A.Total expenses deductions - Operations and maintenance of plant
 - F1415_F1A.Total expenses deductions - Depreciation
 - F1415_F1A.Total expenses deductions - Interest
 - F1415_F1A.Total expenses deductions - All other

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GAAP Exclude State Appropriations from Operating Revenues Yielding An Operating Loss Shown in Red, Offset By Nonoperating Revenues				
Fiscal Year Ended June 30,	2014	2015	2016	
Total Operating Revenues	\$2,833,739,000	\$2,937,337,000	\$3,012,557,000	
Total Operating Expenses	\$6,534,506,000	\$6,868,506,000	\$7,328,256,000	
Operating Loss	(3,700,767,000)	(3,931,169,000)	(4,315,699,000)	
Net Nonoperating Revenues	\$3,715,068,000	\$4,139,814,000	\$4,447,831,000	
Income before other revenues (expenses)	14,301,000	208,645,000	132,132,000	

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CSU The California State University WORKING FOR CALIFORNIA		Other Sources of Information		
<ul style="list-style-type: none"> Information is also available from IPEDS, but with a lag Use custom data files to select the following variables <ul style="list-style-type: none"> F1415_F1A.Total operating revenues F1415_F1A.Total nonoperating revenues F1415_F1A.Total expenses deductions - Current year total 				

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CSU The California State University WORKING FOR CALIFORNIA		Statement of Cash Flows		
Statement of Cash Flows shows cash received in excess of cash used in 2016 of \$5.5 million. Figures in red show outflows.				
Fiscal Year Ended June 30,	2014	2015	2016	
Net cash used in operating activities	\$(3,168,957,000)	\$(3,581,946,000)	\$(3,831,463,000)	
Net cash provided by noncapital financing activities	3,900,006,000	4,359,707,000	4,635,199,000	
Net cash flows used in capital and related financing activities	(592,879,000)	(470,592,000)	(316,681,000)	
Net cash used in investing activities	(142,381,000)	(307,656,000)	(481,543,000)	
Net change in cash and cash equivalents	(4,211,000)	(487,000)	5,512,000	
Total cash and cash equivalents at end of year	4,164,000	3,676,000	9,188,000	

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Other Sources of Information

- Statement of cash flows is not available from IPEDS

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Summary of Net Position

Expendable unrestricted net position declined substantially due to requirements to recognize unfunded pension liabilities beginning in 2015 in accord with GASB 68.

Fiscal Year Ended June 30,	2014	2015	2016
Net investment in capital assets	\$3,625,543,000	\$3,614,410,000	\$3,522,905,000
Restricted nonexpendable endowments	16,218,000	13,448,000	8,653,000
Restricted expendable for specific purposes	114,485,000	82,268,000	119,896,000
Expendable unrestricted	1,986,798,000	(4,330,011,000)	(3,610,229,000)
Total net position	5,743,044,000	(619,885,000)	41,225,000

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Other Sources of Information

- Information is also available from IPEDS, but with a lag
- Use custom data files to select the following variables
 - F1415_F1A.Invested in capital assets, net of related debt
 - F1415_F1A.Restricted-expendable
 - F1415_F1A.Restricted-nonexpendable
 - F1415_F1A.Unrestricted
 - F1415_F1A.Total net assets

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Statutory Framework

Expendable net assets are available for any lawful purpose and are often designated by a state statute or trust agreement

- State statutes authorize collection of tuition and fees and specify the purpose of collected revenues
 - For example, Education Code 89703 requires that "All revenues received by the trustees from housing rental rates and fees under this section may be pledged for the acquisition, construction, and improvement of student housing projects." The fees paid by students who live on campus are deposited into the housing fund and used only for the purposes allowed by Education Code section 89703
- Revenues designated by statute or trust agreement are reflected as "Unrestricted" on the Audited Financial Statements along with undesignated revenues
- Unrestricted undesignated net position available for general operating purposes

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Statutory Framework

Negative undesignated net position beginning in 2015 resulting from unfunded pension liability continues in the future.

Fiscal Year Ended June 30,	2014	2015	2016
Expendable unrestricted net position	\$1,986,798,000	\$(3,885,858,000)	\$(3,610,229,000)
Designated	1,295,798,000	1,070,858,000	1,270,229,000
Undesignated	691,000,000	(4,955,000,000)	(4,880,000,000)
Undesignated net position equals number of months of operating costs excluding depreciation	1.4 months	n/a	n/a

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Other Sources of Information

- Information is also available from IPEDS, but with a lag
- Use custom data files to select the following variables
 - F1415_F1A.Pension information reported
 - F1415_F1A.Additional (or decreased) pension expense
 - F1415_F1A.Additional pension liability (or asset)
 - F1415_F1A.Deferred inflows of resources for pension
 - F1415_F1A.Deferred outflows of resources for pension

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