CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Financial Statements and Supplementary Schedules

June 30, 2019 and 2018

(With Independent Auditors’ Report Thereon)

CALIFORNIA STATE UNIVERSITY INSTITUTE
A Discretely Presented Component Unit of the California State University

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KPMG LLP
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Independent Auditors' Report

The Board of Directors
California State University Institute:

We have audited the accompanying financial statements of the California State University Institute, a component unit of the California State University, which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses, and changes in net position and statements of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the California State University Institute's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California State University Institute as of June 30, 2019 and 2018, and the changes in its net position and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information included in schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Schedules 1 through 3 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedules 1 through 3 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KPMG LLP

Irvine, California
September 30, 2019

The following discussion and analysis provides an overview of the financial position and performance of the California State University Institute (the Institute) as of and for the years ended June 30, 2019 and 2018. It is designed to assist the readers in focusing on financial overview and analysis of the financial activities of the Institute. The discussion has been prepared by management and should be read in conjunction with the basic financial statements and accompanying notes, which follow this section.

Overview of the Financial Statements

The financial statements of the Institute as of and for the years ended June 30, 2019 and 2018 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 Institute is considered a special-purpose government engaged in business-type activities. The Institute's basic financial statements are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position presents the financial position of the Institute at the end of the fiscal year and includes all assets and liabilities of the Institute. The difference between total assets and total liabilities – net position – is one indicator of the current financial condition of the Institute, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

A summary of the Institute's assets, liabilities, and net position at June 30, 2019, 2018, and 2017 is as follows:

Condensed Schedule of Net Position

		June 30	
	2019	**2018**	**2017**
Assets:			
Current assets	$ 111,564,261	170,236,503	3,597,399
Other noncurrent assets	1,854,000	2,926,000	240,000
Total assets	113,418,261	173,162,503	3,837,399
Liabilities:			
Current liabilities	108,223,272	166,934,876	492,882
Noncurrent liabilities	1,854,000	2,926,000	200,000
Total liabilities	110,077,272	169,860,876	692,882
Net position:			
Unrestricted	3,340,989	3,301,627	3,144,517
Total net position	$ 3,340,989	3,301,627	3,144,517

Assets

The Institute's assets totaled $113.4 million on June 30, 2019 compared to $173.2 million in the prior year, a decrease of $59.8 million. The decrease is primarily attributed to the collection of the revenue bond anticipation notes (BANs) receivable of $168.7 million through the proceeds from the sale of California State University's Systemwide Revenue Bond (SRB) Series 2018. The related interest receivables were collected, thereby decreasing the account by $466.7 thousand. The decrease was offset by the new issuance of BANs of $109.2 million for various capital outlay projects of the California State University (CSU) and increase in investments by $318.4 thousand due to investment earnings and unrealized gains.

Total assets increased by $169.4 million from $3.8 million in 2017 to $173.2 million in 2018. The increase relates primarily to the BANs receivable of which $168.9 million were new issuances. The Institute's capital financing receivable totaled $40 thousand as of June 30, 2018, a decrease of $251 thousand, or 86%, as compared to June 30, 2017.

Liabilities

The Institute's liabilities totaled $110.1 million on June 30, 2019 compared to $169.9 million in the prior year, a decrease of $59.8 million. The decrease is primarily due to a decrease in outstanding commercial paper payable. There is a direct relationship between BANs and capital financing receivables and commercial paper payable. BANs are issued by the CSU to provide short-term financing for its various capital outlay projects. BANs are purchased by the Institute with proceeds from its issuance of commercial paper. BANs and capital financing receivables act as collateral for the Institute's commercial paper and contain terms consistent with the commercial paper issued. The proceeds from the repayment of BAN receivable were used to redeem the commercial paper of $168.7 million. The related interest expense payable also decreased by $450 thousand due to lower outstanding commercial paper payable at year-end. The decrease is offset by new commercial paper amounting to $109.2 million and increase in unearned income of $220.5 thousand due to timing of collection of program cost recovery and interest income from BAN receivable.

The Institute's liabilities totaled $169.9 million on June 30, 2018, an increase of $169.2 million, as compared to the previous year. The increase was primarily due to an increase in outstanding commercial paper.

Net Position

Net position serves as a useful indicator of the Institute's financial position representing the assets net of liabilities. Net position fluctuates annually due to the Institute's operating results as well as changes in investment income. The Institute's net position is classified as unrestricted, however, the unrestricted net position may be designated for use by the Institute.

The Institute's net position increased by $39.4 thousand, or 1% during fiscal year 2019. The Institute's net position increased by $157.1 thousand, or 5% during fiscal year 2018.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year on an accrual basis and are classified as either operating or nonoperating. It presents the results of the Institute's operations and changes in net position over the course of the fiscal year.

A summary of the Institute's Statement of Revenues, Expenses, and Changes in Net Position is as follows:

Condensed Schedule of Revenues, Expenses, and Changes in Net Position

		Years ended June 30,		
		2019	**2018**	**2017**
Operating revenues	$	3,129,870	2,974,894	2,605,757
Operating expenses		3,169,406	2,842,923	2,590,133
Operating (loss) gain		(39,536)	131,971	15,624
Nonoperating revenues		78,898	25,139	22,586
Change in net position		39,362	157,110	38,210
Net position, beginning of year		3,301,627	3,144,517	3,106,307
Net position, end of year	$	3,340,989	3,301,627	3,144,517

Operating Revenues and Expenses

During fiscal year 2019, the operating revenues totaled $3.1 million, an increase of $155 thousand, or 5% compared to fiscal year 2018. The increase is due to interest recovery from newly issued BANs contributing $936.3 thousand. This was offset by the $652.5 thousand decrease in interest recovery from BANs and capital financing carried over from prior year as these receivable were fully collected in October 2018. In addition, the program support cost recovery decreased by $128.8 thousand due to less BAN issuances during the year. During fiscal year 2018, the operating revenues totaled $3.0 million, an increase of $369.1 thousand, or 14% compared to fiscal year 2017.

During fiscal year 2019, the operating expenses totaled $3.2 million, an increase of $326.5 thousand, or 11% compared to fiscal year 2018. The increase is due to interest expense from new commercial paper contributing $936.3 thousand. This was offset by the $650.4 thousand decrease in interest expense from commercial paper carried over from prior year as these payables were fully paid in October 2018. The program costs increased by $40.6 thousand which consist mainly of administrative fees related to the issuance of commercial paper, such as fees paid to dealers, trustees, and rating agencies, and fees for letters of credit and other overhead costs. During fiscal year 2018, the operating expenses totaled $2.8 million, an increase of $253 thousand, or 10% compared to fiscal year 2017.

Similar to the relationship between BANs receivable and commercial paper payable, there is also a direct relationship between interest expense paid to trustee/issuing and paying agent (U.S. Bank) and interest charged to members participating in the commercial paper program. Interest charged to members typically matches interest expense. For the capital financing program, interest is charged based on a tax-exempt rate and adjusted annually as necessary. Prior to the start of the new fiscal year, the Institute resets, as necessary, the interest rate based on Securities Industries and Financial Market Association (SIFMA) index plus a margin for the market rate increase and program costs. The interest rate on the capital financing program is 1.5%, which remains unchanged as of June 30, 2019 and 2018.

Long-Term Debt Obligations (Commercial Paper Program)

The Institute manages a commercial paper program for various financing activities. To minimize debt service costs during construction periods, the CSU Board of Trustees (the Board) initially finances capital improvements with proceeds of commercial paper notes. The commercial paper notes are issued by the Institute and secured by BANs, which are issued by the Board. When the commercial paper capacity reaches its maximum limit, the short-term debt is refinanced with permanent bond financing through the CSU SRB. In a few cases, financing for certain projects with shorter amortization schedules may remain in commercial paper financing rather than the traditional longer-term bonds, and are amortized over shorter to medium terms using revenue derived from the projects. The Board also utilizes commercial paper issued by the Institute to internally finance certain equipment and software purchases of CSU campuses. CSU campuses enter into installment purchase obligations and make installment payments over terms consistent with the useful life of the financed equipment or software (typically 5-7 years). These installment payments are applied to repay outstanding commercial paper principal and interest, with interest adjusted annually.

Factors Impacting Future Periods

On July 9, 2019, the Institute rolled over, or renewed, $70.7 million tax-exempt commercial paper for Capital Outlay Program, and $36.5 million tax-exempt commercial paper for Sonoma State Petaluma Acquisition project. The commercial paper was collateralized by BANs on terms consistent with the commercial paper and bears interest at the same rate as is paid on the related commercial paper.

On August 6, 2019, the Institute rolled over, or renewed, $1.9 million tax exempt commercial paper and paid down $518 thousand commercial paper for Sacramento Parking Structure V project.

On September 10, 2019 the Institute issued $43.2 million of new tax exempt commercial paper for San Diego State University, Aztec Recreation Center Expansion project.

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Statements of Net Position

June 30, 2019 and 2018

	2019	2018
Assets:		
Current assets:		
Cash and cash equivalents	$ 24,163	32,919
Accounts receivable	3,698	4,895
Investments	3,707,707	3,389,281
Revenue Bond Anticipation Notes receivable, current portion	107,805,000	166,279,000
Interest receivable	2,026	468,741
Capital financing receivables, current portion	—	40,000
Prepaid expenses	21,667	21,667
Total current assets	111,564,261	170,236,503
Noncurrent assets:		
Revenue Bond Anticipation Notes receivable, less current portion	1,854,000	2,926,000
Total assets	113,418,261	173,162,503
Liabilities:		
Current liabilities:		
Accounts payable	102,500	110,532
Interest payable	95,304	545,344
Unearned revenues	220,468	—
Commercial paper payable, current portion	107,805,000	166,279,000
Total current liabilities	108,223,272	166,934,876
Noncurrent liabilities:		
Commercial paper payable, net of current portion	1,854,000	2,926,000
Total liabilities	110,077,272	169,860,876
Net position:		
Unrestricted	3,340,989	3,301,627
Total net position	$ 3,340,989	3,301,627

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY INSTITUTE
A Discretely Presented Component Unit of the California State University

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2019 and 2018

		2019	2018
Operating revenues:			
Program support	$	1,565,507	1,694,354
Interest income		1,564,363	1,280,540
Total operating revenues		3,129,870	2,974,894
Operating expenses:			
Program costs		1,605,368	1,564,779
Interest on debt		1,564,038	1,278,144
Total operating expenses		3,169,406	2,842,923
Operating (loss) gain		(39,536)	131,971
Nonoperating revenues:			
Investment income, net		78,189	24,633
Other nonoperating revenues		709	506
Total nonoperating revenues		78,898	25,139
Increase in net position		39,362	157,110
Net position, beginning of year		3,301,627	3,144,517
Net position, end of year	$	3,340,989	3,301,627

See accompanying notes to financial statements.

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Statements of Cash Flows

Years ended June 30, 2019 and 2018

		2019	2018
Cash flows from operating activities:			
Program support	$	1,580,638	1,689,459
Expenditures and other deductions		(1,613,400)	(1,547,105)
Interest received on notes		2,237,612	812,523
Interest paid on commercial paper		(2,014,078)	(733,158)
Net cash provided by operating activities		190,772	221,719
Cash flows from capital and related financing activities:			
Proceeds from commercial paper		72,690,000	160,850,000
Payments of commercial paper		(2,321,000)	(300,000)
Net cash provided by capital and related financing activities		70,369,000	160,550,000
Cash flows from investing activities:			
Invested in Revenue Bond Anticipation Notes		(72,690,000)	(160,850,000)
Proceeds from Revenue Bond Anticipation Notes		2,321,000	300,000
Proceeds from capital financing arrangements		40,000	251,000
Investment income, net		39,000	45,364
Purchases of investments		(6,324,344)	(3,166,726)
Sales of investments		6,045,816	2,672,438
Net cash used in investing activities		(70,568,528)	(160,747,924)
Net change in cash and cash equivalents		(8,756)	23,795
Cash and cash equivalents at beginning of year		32,919	9,124
Cash and cash equivalents at end of year	$	24,163	32,919
Reconciliation of operating (loss) gain to net cash provided by operating activities:			
Operating (loss) gain	$	(39,536)	131,971
Adjustments to reconcile operating (loss) gain to net cash provided by operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable		1,197	(4,895)
Decrease (increase) in interest receivable		466,715	(468,017)
Increase in prepaid expenses		—	(334)
(Decrease) increase in accounts payable		(8,032)	18,008
Increase in unearned revenue		220,468	—
(Decrease) increase in interest payable		(450,040)	544,986
Net cash provided by operating activities	$	190,772	221,719
Supplemental disclosures of noncash capital and related financing activities:			
Commercial paper proceeds directly wired to escrow agent by bank	$	36,500,000	8,055,000
Bond proceeds directly wired to Commercial Paper Trustee by bank		(36,500,000)	(8,055,000)
Rollover of commercial paper – principal issued		449,632,000	198,071,000
Rollover of commercial paper – principal paid		(449,632,000)	(198,071,000)
Bond Proceeds directly paid to Commercial Paper Trustees		166,415,000	—
Commercial paper proceeds directly paid to State Treasurer’s Office		(166,415,000)	—

See accompanying notes to financial statements.

(1) Organization

California State University Institute (the Institute) is a nonprofit California corporation that is an auxiliary organization of the California State University (the CSU). The Institute is a discretely presented component unit of the CSU. The Institute's primary purpose is to provide financing, in the form of commercial paper, to fund projects to be undertaken at the various CSU campuses.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements for the Institute have been prepared under the standards promulgated by the Governmental Accounting Standards Board (GASB) using the accrual basis of accounting and economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

(b) New Accounting Pronouncements

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, effective for the Institute's fiscal year beginning July 1, 2018. This Statement requires that additional essential information related to debt, arising from contractual obligations, be disclosed in notes to financial statements, including (1) unused lines of credit, (2) assets pledged as collateral for the debt, and (3) terms specified in debt agreements related to significant events of default with finance related consequences, and significant subjective acceleration clauses. It also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. See Note 6, *Commercial Paper*.

(c) Net Position

The Institute's net position is classified as unrestricted. Unrestricted net position may be designated for use by the Institute. The Institute has adopted a policy of utilizing restricted funds, when available, prior to unrestricted funds.

(d) Cash and Cash Equivalents and Statements of Cash Flows

The Institute considers all highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents. The Institute considers amounts included in the CSU Consolidated Investment Pool (the Investment Pool) to be investments. Certain transactions recorded as revenue or expenses in the accompanying Statements of Revenues, Expenses, and Changes in Net Position include transactions between entities that are also participants in the Investment Pool. The Institute considers changes in the respective participants' equity in the Investment Pool resulting from these transactions to represent cash flows of the Institute in the accompanying Statements of Cash Flows.

(e) Investments

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

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

(f) Revenues

The Institute reports collections from the participating members for program support in the Statements of Revenues, Expenses, and Changes in Net Position for revenues recognized during the period earned. The rates charged to campuses for short-term campus construction project financings are equal to the rates charged on the Institute's commercial paper. The rates charged to participating members for capital financings are higher than the rates charged on the Institute's commercial paper due to the administrative costs to run this program. Investment income, net is recognized during the period earned.

(g) Classification of Revenues and Expenses

The Institute considers operating revenues and expenses in the Statements of Revenues, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions or other activities that are connected directly to the Institute's primary purposes. 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 requirements. These nonoperating activities primarily include the Institute's net investment income.

(h) Income Taxes

The Institute is an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, the Institute is 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 is granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

(i) Use of Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual amounts may differ from those estimates.

(Continued)

(3) Cash and Cash Equivalents, Investments, and Investment Income, Net

The Institute's cash and cash equivalents and investments as of June 30, 2019 and 2018 are classified in the accompanying Statements of Net Position as follows:

		2019	2018
Cash and cash equivalents	$	24,163	32,919
Investments		3,707,707	3,389,281
Total cash, cash equivalents, and investments	$	3,731,870	3,422,200

(a) Cash and Cash Equivalents

At June 30, 2019 and 2018, cash and cash equivalents consisted of demand deposits held at a financial institution. The Institute's cash and cash equivalents of $24.2 thousand and $32.9 thousand have a corresponding bank balance of $24.2 thousand and $40 thousand at June 30, 2019 and 2018, respectively. At June 30, 2018, the difference between the book and bank balance was due to outstanding checks.

The Institute maintains centralized management for substantially all of its cash and cash equivalents. Cash in demand deposit accounts is minimized by sweeping available cash balances into the Investment Pool on a daily basis.

(b) Investments

At June 30, 2019 and 2018, the Institute's investment portfolio consisted of investments held in the Investment Pool. Separate accounting is maintained as to the amounts allocable to the various funds and programs.

(i) Investment Policy

State law and regulations require that surplus monies of the Institute must be invested. The primary objective of the Institute's investment policy is to safeguard the principal. The secondary objective is to meet the liquidity needs of the Institute. The third objective is to return an acceptable yield.

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

(ii) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the custodian, the investments or deposits may not be returned to the Institute. All of the Institute's securities are registered in the CSU's name by the custodial bank as an agent for the Institute. The Institute's deposits are maintained at financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured. As a result, custodial credit risk for such investments and deposits is remote.

(iii) Interest Rate Risk

Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to fluctuations in market interest rates. The Institute's investment guidelines measure interest rate risk by limiting an eligible investment to a maximum effective maturity and by limiting the average duration of the portfolio. The effective maturity date reflects a bond with embedded options such as a call, put, reset date, and prepayment speed resulting in the maturity of a bond being less than its 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 Institute's investment portfolio for each investment type as of June 30, 2019 are presented in the table below:

Investment type	Fair value	Duration (in years)
Asset-backed securities	$ 154,792	0.50418
Certificates of deposit	153,565	0.12452
Corporate bonds	1,024,998	1.02102
Money market funds	26,184	—
Mortgage-backed securities	205	1.99645
Municipal bonds	50,704	0.19506
Repurchase agreements	10,516	0.00268
U.S. agency securities	1,069,831	0.58573
U.S. Treasury securities	1,216,912	1.25118
Total investments	$ 3,707,707	

Durations of the Institute's investment portfolio for each investment type as of June 30, 2018 are presented in the table below:

Investment type		Fair value	Duration (in years)
Asset-backed securities	$	254,906	1.05694
Certificates of deposit		176,018	0.20921
Corporate bonds		996,486	0.92657
Money market funds		8,467	—
Mortgage-backed securities		234	2.18645
Municipal bonds		45,141	1.15095
Repurchase agreements		8,904	0.00537
U.S. agency securities		1,028,865	0.96169
U.S. Treasury securities		870,260	1.20576
Total investments	$	3,389,281	

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

(iv) *Credit Risk*

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

By law, the Institute 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 acceptances, and negotiable certificates of deposit. Therefore, occurrence of credit risk is considered remote.

Ratings of the Institute's investment portfolio for each investment type as of June 30, 2019 are presented in the table below:

		Rating as of June 30, 2019				
Investment type	**Fair value**	**AAA**	**AA**	**A**	**BBB**	**Not rated**
Asset-backed securities	$ 154,792	154,792	—	—	—	—
Certificates of deposit	153,565	59,931	3,499	90,135	—	—
Corporate bonds	1,024,998	7,902	115,600	891,218	10,278	—
Money market funds	26,184	—	—	—	—	26,184
Mortgage-backed securities	205	—	205	—	—	—
Municipal bonds	50,704	20,129	27,961	2,614	—	—
Repurchase agreement	10,516	10,516	—	—	—	—
U.S. agency securities	1,069,831	38,481	1,031,350	—	—	—
U.S. Treasury securities	1,216,912	—	1,216,912	—	—	—
Total investments	$ 3,707,707	291,751	2,395,527	983,967	10,278	26,184

Ratings of the Institute's investment portfolio for each investment type as of June 30, 2018 are presented in the table below:

		Rating as of June 30, 2018			
Investment type	**Fair value**	**AAA**	**AA**	**A**	**Not rated**
Asset-backed securities	$ 254,906	254,906	—	—	—
Certificates of deposit	176,018	64,986	—	111,032	—
Corporate bonds	996,486	6,922	151,057	838,507	—
Money market funds	8,467	—	—	—	8,467
Mortgage-backed securities	234	—	234	—	—
Municipal bonds	45,141	17,731	25,142	2,268	—
Repurchase agreement	8,904	—	—	—	8,904
U.S. agency securities	1,028,865	17,587	1,011,278	—	—
U.S. Treasury securities	870,260	—	870,260	—	—
Total investments	$ 3,389,281	362,132	2,057,971	951,807	17,371

(v) Concentration Risk

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

As of June 30, 2019, the following investments of the Investment Pool (excluding U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of the Institute's total investment portfolio: FHL Banks Office of Finance totaling $453 thousand, or 12.22% and Federal Home Loan Mortgage Corporation totaling $305 thousand, or 8.24%. As of June 30, 2018, the following investments of the Investment Pool (excluding U.S. Treasury securities, mutual funds, and external investment pools) represented 5% or more of the Institute's total investment portfolio: FHL Banks Office of Finance totaling $450 thousand, or 13.28% and Federal National Mortgage Association (Fannie Mae) totaling $327 thousand, or 9.64%.

(vi) Fair Value Measurements

The Institute 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 Institute groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The level in the fair value hierarchy with which a fair value 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 Institute 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 or 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, 2019:

Investment type		Fair value	Level 2	Net asset value (NAV)
Asset-backed securities	$	154,792	154,792	—
Certificates of deposit		153,565	153,565	—
Corporate bonds		1,024,998	1,024,998	—
Money market funds		26,184	—	26,184
Mortgage backed securities		205	205	—
Municipal bonds		50,704	50,704	—
Repurchase agreement		10,516	10,516	—
U.S. agency securities		1,069,831	1,069,831	—
U.S. Treasury securities		1,216,912	1,216,912	—
Total investments	$	3,707,707	3,681,523	26,184

The following table presents investments that are measured at fair value on a recurring basis at June 30, 2018:

Investment type		Fair value	Level 2	Net asset value (NAV)
Asset-backed securities	$	254,906	254,906	—
Certificates of deposit		176,018	176,018	—
Corporate bonds		996,486	996,486	—
Money market funds		8,467	—	8,467
Mortgage backed securities		234	234	—
Municipal bonds		45,141	45,141	—
Repurchase agreement		8,904	8,904	—
U.S. agency securities		1,028,865	1,028,865	—
U.S. Treasury securities		870,260	870,260	—
Total investments	$	3,389,281	3,380,814	8,467

The following discussion describes 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 and are 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 service, 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 Institute's external investment managers or their custodians. There were no assets and liabilities classified in Level 1 for 2019 and 2018.

Investments are classified in Level 2 as fair value are calculated using valuations that include observable market quoted prices for similar assets or liabilities. Observable inputs other than quoted prices such as price services or indices, estimates, appraisals, assumptions, and other methods that are reviewed by management. Changes in market conditions and economic environments may impact the net asset value (NAV) of the funds and consequently, the fair value of the Institute'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) during 2019 or 2018.

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.

(c) Investment Income, Net

Investment income, net, included within the Statements of Revenues, Expenses, and Changes in Net Position is comprised of changes in unrealized gains(losses) of $39.2 thousand and ($20.7) thousand and interest and dividend income of $39 thousand and $45.3 thousand for the years ended June 30, 2019 and 2018, respectively.

(4) Revenue Bond Anticipation Notes Receivable

Under the Revenue Bond Anticipation Note (BAN) Resolution, BANs are issued directly by the CSU to the Institute, rather than publicly to the capital market. Thus, BANs are considered internal obligations between CSU and the Institute. The Institute purchases the BANs which act as collateral for the issuance of commercial paper to provide interim financing for campus capital projects. Each of the BANs finances a separate project and corresponds to an issue of commercial paper (note 6).

At June 30, 2019 and 2018, the Institute held $109.7 million and $169.2 million, respectively, in BANs in relation to various campuses' commercial paper issuances. Interest on BANs is equal to the interest on the commercial paper with maximum and minimum weighted average interest rates for the years ended June 30, 2019 and 2018 of 2.25 % and 2.1%, and 1.27% and 0.87%, respectively. As of June 30, 2019, the Institute classified $107.8 million in BANs as current assets to be consistent with the presentation of the related commercial paper as management has the intent and ability to collect these receivables on or before June 30, 2019 through debt issued by the Systemwide Revenue Bond Program. As of June 30, 2019 and 2018, BANs receivable consisted of the following:

Project names		2019	2018
Academic Buildings and Infrastructures	$	70,718,000	—
Sonoma State University Petaluma Property Acquisition Project		36,515,000	—
CSU Sacramento Parking Structure V Project		2,426,000	3,015,000
Fullerton Housing Refinance		—	300,000
SDSU Tula/Tenochca Replacement		—	22,529,000
SLO Cal Poly Corporation – Vista Grande Replacement Building		—	26,581,000
San Bernardino College of Extended Learning Expansion		—	20,443,000
SDSU – New Student Residence Hall Project		—	41,382,000
Stanislaus University Union Renovation and Expansion		—	15,670,000
San Marcos Extended Learning Building and Parking		—	14,900,000
Cal State LA Auxiliary Bioscience Innovation Center		—	4,525,000
Cal State LA Parking Structure E Project		—	11,775,000
Maritime Academy Hotel Acquisition		—	8,085,000
Total BANs receivable	$	109,659,000	169,205,000

Future BAN payments due to the Institute as of June 30, 2019 are as follows:

Year(s)		Total
2020	$	107,805,000
2021		572,000
2022		572,000
2023		710,000
Total	$	109,659,000

The carrying amount of these notes approximates fair value as of June 30, 2019 and 2018. The fair values were estimated based on quoted market rates for instruments with similar terms and remaining maturities.

(5) Capital Financing Receivable

The CSU and the Institute created a program to finance certain capital needs of CSU campuses and auxiliaries, whereby the CSU enters into capital financing agreements with the Institute. The capital financing receivables are used to fund a wide range of software, hardware, and other equipment needs of campuses. The capital financing acts as collateral for the Institute's issuance of commercial paper, the proceeds of which are used to provide funds for financings. The capital financing receivables require the CSU campuses to make quarterly installment payments to the Institute over periods of up to eight years. A portion of the payments are used to repay principal and interest on the commercial paper (note 6). The interest rate is based on a tax-exempt rate, which is adjusted annually. Prior to the start of the new fiscal year, the Institute resets the interest rate based on the Securities Industries and Financial Market Association (SIFMA) index plus a certain margin for the market rate increase and program costs. The interest rate on the capital financing receivable is 1.50%.

At June 30, 2018, the Institute held $40 thousand in capital financing receivables from CSU Bakersfield. The commercial paper issuances corresponding to the capital financing projects had maximum and minimum weighted average interest rates of 1.27% and 0.87% for the year ended June 30, 2018. There were no new commercial paper issuances for capital financing projects in fiscal year 2019.

(6) Commercial Paper

The Institute manages a commercial paper program, which provides for secured borrowings through issuance of Series A Tax Exempt and Series B Taxable Notes up to an authorized aggregate principal and accrued interest amount of $500 million. The commercial paper notes are issued in denominations of $1 thousand principal amounts each or any integral multiple thereof, and secured by BANs and other capital financing agreements (notes 4 and 5). The commercial paper program is supported by a $300 million letter of credit facility, issued on a several but not joint basis by State Street Bank and Trust Company and Wells Fargo Bank, National Association.

As of June 30, 2019 and 2018, commercial paper with a face amount of $109.7 million and $169.2 million, respectively, was issued and outstanding. As of June 30, 2019, the Institute classified $107.8 million in commercial paper payable as a current liability, consistent with the presentation of the related BANs, as the balance will be paid off on or before June 30, 2020 through debt issued by the Systemwide Revenue Bond Program. The borrowings have variable maturity dates not to exceed 270 days with rollover provisions at maturity and bear interest at tax-exempt or, in the case of taxable commercial paper, taxable commercial paper interest rates as calculated by the commercial paper dealers as of each maturity date. The maturing commercial paper is rolled, or renewed, until such time that a Systemwide Revenue Bond is issued to pay off the portion of the outstanding commercial paper balance. The CSU has the ability to, and intends to, extend certain BANs to periods longer than one year; accordingly, the related outstanding amount of commercial paper related to these BANs at year-end has been classified as a long-term obligation. The maximum and minimum weighted average interest rates at June 30, 2019 and 2018 were 2.25% and 2.1%, and 1.27% and 0.87%, respectively.

(Continued)

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

The carrying amounts of the Institute's commercial paper payable are as follows:

		2019	2018
Commercial paper payable, current portion	$	107,805,000	166,279,000
Commercial paper payable, net of current portion		1,854,000	2,926,000
Total commercial paper payable	$	109,659,000	169,205,000

The changes in outstanding debt during fiscal years 2019 and 2018, which include the rollover of commercial paper, are as follows:

		2019	2018
Commercial paper, beginning balance	$	169,205,000	600,000
Commercial paper issued, including rollovers – principal		558,822,000	366,976,000
Commercial paper paid, including rollovers – principal		(618,368,000)	(198,371,000)
Commercial paper, ending balance	$	109,659,000	169,205,000

The carrying amounts of commercial paper payable approximate their fair values as of June 30, 2019 and 2018. The fair values of commercial paper payable were estimated based on quoted market rates for instruments with similar terms and remaining maturities.

(7) Related Party

The Institute provides funding to the CSU Chancellor's Office for administrative services. The administrative services totaled $182.4 thousand and $168.7 thousand in fiscal years 2019 and 2018, respectively.

The Institute provides financing to CSU campuses to support construction projects and certain capital needs (notes 4 and 5). The Institute received revenue for program support from the CSU campuses totaling $1.6 million and $1.7 million at June 30, 2019 and 2018, respectively. Additionally, interest income received by the Institute from CSU campuses was $1.6 million and $1.3 million for the years ended June 30, 2019 and 2018, respectively.

(8) Subsequent Events

Subsequent events have been evaluated through September 30, 2019, which corresponds to the date when the financial statements were issued. There are no subsequent events that require disclosure.

Schedule 1

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Schedule of Net Position

June 30, 2019

(for inclusion in the California State University)

Assets:	
Current assets:	
Cash and cash equivalents	$ 24,163
Short-term investments	3,707,707
Accounts receivable, net	5,724
Capital lease receivable, current portion	—
Notes receivable, current portion	107,805,000
Pledges receivable, net	—
Prepaid expenses and other current assets	21,667
Total current assets	111,564,261
Noncurrent assets:	
Restricted cash and cash equivalents	—
Accounts receivable, net	—
Capital lease receivable, net of current portion	—
Notes receivable, net of current portion	1,854,000
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	—
Other assets	—
Total noncurrent assets	1,854,000
Total assets	113,418,261
Deferred outflows of resources:	
Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Others	—
Total deferred outflows of resources	—
Liabilities:	
Current liabilities:	
Accounts payable	102,500
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenues	220,468
Capital lease obligations, current portion	—
Long-term debt obligations, current portion	107,805,000
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts	—
Other liabilities	95,304
Total current liabilities	108,223,272

(Continued)

Schedule 1

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Schedule of Net Position

June 30, 2019

(for inclusion in the California State University)

Noncurrent liabilities:		
Accrued compensated absences, net of current portion	$	—
Unearned revenues		—
Grants refundable		—
Capital lease obligations, net of current portion		—
Long-term debt obligations, net of current portion		1,854,000
Claims liability for losses and loss adjustment expenses, net of current portion		—
Depository accounts		—
Net other postemployment benefits liability		—
Net pension liability		—
Other liabilities		—
Total noncurrent liabilities		1,854,000
Total liabilities		110,077,272
Deferred inflows of resources:		
Service concession arrangements		—
Net pension liability		—
Net OPEB liability		—
Unamortized gain on debt refunding		—
Nonexchange transactions		—
Others		—
Total deferred inflows of resources		—
Net position:		
Net investment in capital assets		—
Restricted for:		
Nonexpendable – endowments		—
Expendable:		
Scholarships and fellowships		—
Research		—
Loans		—
Capital projects		—
Debt service		—
Others		—
Unrestricted		3,340,989
Total net position	$	3,340,989

See accompanying independent auditors' report.

Schedule 2

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(for inclusion in the California State University)

Revenues:	
Operating revenues:	
Student tuition and fees, gross	$ —
Scholarship allowances (enter as negative)	—
Grants and contracts, noncapital:	
Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	—
Scholarship allowances (enter as negative)	—
Other operating revenues	3,129,870
Total operating revenues	3,129,870
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	—
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	3,169,406
Depreciation and amortization	—
Total operating expenses	3,169,406
Operating income (loss)	(39,536)
Nonoperating revenues (expenses):	
State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	78,189
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses) – excl. interagency transfers	709
Other nonoperating revenues (expenses) – interagency transfers	—
Net nonoperating revenues (expenses)	78,898
Income (loss) before other revenues (expenses)	39,362

Schedule 2

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Schedule of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2019

(for inclusion in the California State University)

State appropriations, capital	$	—
Grants and gifts, capital		—
Additions (reductions) to permanent endowments		—
Increase (decrease) in net position		39,362
Net position:		
Net position at beginning of year, as previously reported		3,301,627
Restatements		—
Net position at beginning of year, as restated		3,301,627
Net position at end of year	$	3,340,989

See accompanying independent auditors’ report.

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Other Information

June 30, 2019

(for inclusion in the California State University)

Cash and cash equivalents:	
Portion of restricted cash and cash equivalents related to endowments	$ —
All other restricted cash and cash equivalents	—
Noncurrent restricted cash and cash equivalents	—
Current cash and cash equivalents	24,163
Total	$ 24,163

Composition of investments	Current	Noncurrent	Total
Money market funds	26,184	—	26,184
Repurchase agreements	10,516	—	10,516
Certificates of deposit	153,565	—	153,565
U.S. agency securities	1,069,831	—	1,069,831
U.S. treasury securities	1,216,912	—	1,216,912
Municipal bonds	50,704	—	50,704
Corporate bonds	1,024,998	—	1,024,998
Asset backed securities	154,792	—	154,792
Mortgage backed securities	205	—	205
Commercial paper	—	—	—
Mutual funds	—	—	—
Exchange traded funds	—	—	—
Equity securities	—	—	—
Alternative investments:	—	—	—
Private equity (including limited partnerships)	—	—	—
Hedge funds	—	—	—
Managed futures	—	—	—
Real estate investments (including REITs)	—	—	—
Commodities	—	—	—
Derivatives	—	—	—
Other alternative investment types	—	—	—
Other external investment pools (excluding SWIFT)	—	—	—
Other investments	—	—	—
State of California Local Agency Investment Fund (LAIF)	—	—	—
State of California Surplus Money Investment Fund (SMIF)	—	—	—
Total investments	3,707,707	—	3,707,707
Less endowment investments (enter as negative number)	—	—	—
Total investments, net of endowments	3,707,707	—	3,707,707

(Continued)

CALIFORNIA STATE UNIVERSITY INSTITUTE

A Discretely Presented Component Unit of the California State University

Other Information

June 30, 2019

(for inclusion in the California State University)

Fair value hierarchy in investments		Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Net asset value (NAV)
Money market funds	$	26,184	—	—	—	26,184
Repurchase agreements		10,516	—	10,516	—	—
Certificates of deposit		153,565	—	153,565	—	—
U.S. agency securities		1,069,831	—	1,069,831	—	—
U.S. treasury securities		1,216,912	—	1,216,912	—	—
Municipal bonds		50,704	—	50,704	—	—
Corporate bonds		1,024,998	—	1,024,998	—	—
Asset backed securities		154,792	—	154,792	—	—
Mortgage backed securities		205	—	205	—	—
Commercial paper		—	—	—	—	—
Mutual funds		—	—	—	—	—
Exchange traded funds		—	—	—	—	—
Equity securities		—	—	—	—	—
Alternative investments:		—	—	—	—	—
Private equity (including limited partnerships)		—	—	—	—	—
Hedge funds		—	—	—	—	—
Managed futures		—	—	—	—	—
Real estate investments (including REITs)		—	—	—	—	—
Commodities		—	—	—	—	—
Derivatives		—	—	—	—	—
Other alternative investment types		—	—	—	—	—
Other external investment pools (excluding SWIFT)		—	—	—	—	—
Other investments		—	—	—	—	—
State of California Local Agency Investment Fund (LAIF)		—	—	—	—	—
State of California Surplus Money Investment Fund (SMIF)		—	—	—	—	—
Total investments	$	3,707,707	—	3,681,523	—	26,184

Long-term liabilities Long-term debt obligations	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Current portion	Noncurrent portion
Commercial paper	169,205,000	558,822,000	(618,368,000)	109,659,000	107,805,000	1,854,000
Total long-term liabilities	169,205,000	558,822,000	(618,368,000)	109,659,000	107,805,000	1,854,000

(Continued)

CALIFORNIA STATE UNIVERSITY INSTITUTE
A Discretely Presented Component Unit of the California State University
Other Information
June 30, 2019
(for inclusion in the California State University)

Long-term debt obligations schedule		Auxiliary revenue bonds (non-SRB related) Principal only	Auxiliary revenue bonds (non-SRB related) Interest only	Auxiliary revenue bonds (non-SRB related) Principal and interest	All other long-term debt obligations Principal only	All other long-term debt obligations Interest only	All other long-term debt obligations Principal and interest	Total long-term debt obligations Principal only	Total long-term debt obligations Interest only	Total long-term debt obligations Principal and interest
Year ending June 30:	$	—	—	—	107,805,000	—	107,805,000	107,805,000	—	107,805,000
2020		—	—	—	572,000	—	572,000	572,000	—	572,000
2021		—	—	—	572,000	—	572,000	572,000	—	572,000
2022		—	—	—	710,000	—	710,000	710,000	—	710,000
2023		—	—	—	—	—	—	—	—	—
2024		—	—	—	—	—	—	—	—	—
2025–2029		—	—	—	—	—	—	—	—	—
2030–2034		—	—	—	—	—	—	—	—	—
2035–2039		—	—	—	—	—	—	—	—	—
2040–2044		—	—	—	—	—	—	—	—	—
2045–2049		—	—	—	—	—	—	—	—	—
Thereafter		—	—	—	—	—	—	—	—	—
Total minimum payments	$	—	—	—	109,659,000	—	109,659,000	109,659,000	—	109,659,000

Transactions with related entities:	
Payments to University for salaries of University personnel working on contracts, grants, and other programs	182,440
Payments to University for other than salaries of University personnel	
Payments received from University for services, space, and programs	
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University (enter as negative number)	
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	
Other amounts receivable from University (enter as positive number)	

(Continued)

CALIFORNIA STATE UNIVERSITY INSTITUTE
A Discretely Presented Component Unit of the California State University

Other Information

June 30, 2019

(for inclusion in the California State University)

Natural classifications of operating expenses	Salaries	Benefits other	Benefits – pension	Benefits – OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	$ —	—	—	—	—	—	—	—
Research	—	—	—	—	—	—	—	—
Public service	—	—	—	—	—	—	—	—
Academic support	—	—	—	—	—	—	—	—
Student services	—	—	—	—	—	—	—	—
Institutional support	—	—	—	—	—	—	—	—
Operation and maintenance of plant	—	—	—	—	—	—	—	—
Student grants and scholarships	—	—	—	—	—	—	—	—
Auxiliary enterprise expenses	—	—	—	—	—	3,169,406	—	3,169,406
Depreciation and amortization	—	—	—	—	—	—	—	—
Total operating expenses	$ —	—	—	—	—	3,169,406	—	3,169,406

See accompanying independent auditors' report.