

California State University, Long Beach



2011-2012

Annual Management Report

**A Supplement to the
Annual Audited Financial Report**

Foreword

August 15, 2012

Dr. F. King Alexander

President

The Annual Management Report provides a comprehensive look at the University, with a focus on its finances for the year. These Financial Statements have been prepared according to California State University, Long Beach Financial Management guidelines, and are intended as a supplement to the CSU's audited financial statements, prepared on the basis of Generally Accepted Accounting Principles.

As a governmental not-for-profit State-supported institution, California State University, Long Beach operates various self-supporting auxiliary enterprises such as student residence halls, parking facilities, and extended education programs. It administers a variety of financial aid programs, which are funded primarily through State and Federal contributions.

The University's management is responsible for maintaining the financial integrity of the University. The University's internal accounting controls are designed to assure that the financial reports and the books of accounts properly reflect the many transactions performed by the institution, in accordance with established policies and procedures.

The Financial Management Division monitors the financial and accounting operations of the institution including the review, analysis, and issuance of the periodic financial statements, including bi-annual assessment of the University's financial results.

This report is intended solely for the information and use by the President, Vice Presidents, managers, faculty, and staff of California State University, Long Beach, and is not intended for use and distribution outside of the University.

Sharon Taylor

Associate Vice President, Office of Financial Management

Table of Contents

General Fund Budget	1
General Fund: Source of Funds	2
General Fund: Application of Funds	3
General Fund: Planned Use of Reserves	3
Description of Funds	4
Statements of Funds	5
Glossary of Terms	6

General Fund Budget

As of June 30, 2012, the University reported a total adjusted General Fund budget of \$372,746,147 representing an increase of \$42,325,409 from the Initial base allocation of \$330,420,738, which includes reserve funding to cover a trigger reduction of \$7,653,700.

Changes in the General Fund budget are summarized below:

	2011-12 Base	2011-12 Adjustments	2011-12 Final
Initial Base Budget Allocation			
2010-11 General Fund State Appropriation	\$ 174,152,206		
General Fund 2011-12 Allocation by CO	3,075,400		
Retirement Rate Adjustment	3,430,530		
General Fund Expenditure Adjustment	(49,263,100)		
Revenues and Reimbursements	164,141,926		
Additional Revenues Due to Tuition Fee Increases	35,336,581		
Other Receipts Adjustment	(452,805)		
Campus FY2011-12 Base Budget Allocation			\$ 330,420,738
Non-Base Revenues and System Office Budget Adjustments			
Cost Recovery from other Funds		\$ 7,243,055	
Student Excellence Fee Revenue		5,271,115	
Other Revenues		748,304	
Grants & Research Release Time		1,291,580	
General Fund Trigger Reduction		(7,653,700)	
Retirement De-allocation		(1,012,100)	
Cal Grant Funding from CSAC		188,571	
Special Programs Augmentation		621,339	
Total Non-Base Revenues and System Adjustments			6,698,164
Campus Budget Adjustments			
Prior Year Carry forward Allocated to Divisions		27,873,545	
Allocation of University Wide Entitlements		100,000	
Total Campus Budget Adjustments			27,973,545
Total Budget Allocation at June 30, 2012			\$ 365,092,447
Reserves Allocated to cover General Fund Trigger Reduction		<u>7,653,700</u>	<u>7,653,700</u>
Total Final Budget at June 30, 2012	<u>\$ 330,420,738</u>	<u>\$ 42,325,409</u>	<u>\$ 372,746,147</u>

CSULB's total FY2011-12 campus budget allocation was \$365,092,447, which includes the General Fund Trigger Reduction of <\$7,653,700>. Reserves were used to cover this reduction and preserve final budget commitments of \$372,746,147.

General Fund: Source of Funds

For the Year Ended June 30, 2012

	Original Internal Budget	Prior Year Reserves Distributed	Additional Budget Adjustments	Total Final Budget
Revenues				
Tuition Fee	\$ 177,063,000	-	478,288	\$ 177,541,288
Non-Resident Tuition	11,425,200	-	(715,204)	10,709,996
Student Health Fee	3,364,815	-	(58,258)	3,306,557
Application Fee	2,542,164	-	287,421	2,829,585
Graduate Business Professional Fee	844,382	-	(219,585)	624,797
Interest income	-	-	374	374
Miscellaneous revenue	2,693,091	-	710	2,693,801
Total Revenues	197,932,652	-	(226,255)	197,706,397
Reimbursements				
Federal financial aid overhead	-	-	111,486	111,486
Federal Work-Study	1,093,050	-	(63,924)	1,029,126
Miscellaneous reimbursement	-	-	5,585,277	5,585,277
Total Reimbursements	1,093,050	-	5,632,839	6,725,889
Total Revenues and Reimbursements	199,025,702	-	5,406,584	204,432,286
State appropriation	131,395,036	-		131,395,036
Grants & Research Release Time			1,291,580	1,291,580
Campus Budget Adjustments	-	35,627,245		35,627,245
Total Final Budget Source of Funds	\$ 330,420,738	35,627,245	6,698,164	\$ 372,746,147

General Fund: Application of Funds

For the Year Ended June 30, 2012

	Expenditure Allocation	*Personal Services	*Operating Expenses	*Total Expenses	Balance Available
President's Office	\$ 2,140,488	\$ 1,600,725	\$ 282,661	\$ 1,883,387	\$ 257,101
Academic Affairs	196,451,493	180,876,571	5,403,741	186,280,312	10,171,181
Student Services	17,768,750	15,852,540	1,119,711	16,972,251	796,499
Administration and Finance	75,395,118	47,075,935	19,635,878	66,711,813	8,683,305
University Relations & Development	7,413,764	6,200,528	719,636	6,920,164	493,600
Athletics	<u>8,452,702</u>	<u>6,097,944</u>	<u>2,354,758</u>	<u>8,452,702</u>	-
Total for Divisions	307,622,316	257,704,244	29,516,385	287,220,629	20,401,687
University Wide	<u>65,123,831</u>	<u>(9,368)</u>	<u>53,559,736</u>	<u>53,550,368</u>	<u>11,573,463</u> (1)
Total Uses of Funds	<u>\$ 372,746,147</u>	<u>\$ 257,694,876</u>	<u>\$ 83,076,121</u>	<u>\$ 340,770,997</u>	<u>\$ 31,975,150</u>

Note: *Actuals

General Fund: Planned Use of Reserves

As of June 30, 2012

Unallocated Campus Reserve at July 1, 2012	\$ 23,015,841
Allocation to Cover Trigger Reduction	(7,653,700)
Unused Current Year Funds at June 30, 2012	<u>31,975,150</u>
General Fund Cumulative Reserve Balance at June 30, 2012	\$47,337,291
Budget Balance Allocated to Divisions in FY12/13	(20,401,687)
Budget Balance Allocated to Financial Aid in FY12/13	(1) (2,849,819)
University Wide Entitlements	(1) (6,581,563)
Designated Campus Reserve (3%)	(2) <u>(9,912,622)</u>
Cumulative Contingency Funds for future commitment	<u>\$7,591,600</u>

- 1) Commitments for FY12-13 including Financial Aid Reserve; Campus wide Elevator Modernization project; Renovation of PH1, 2 & FO5, and CMS Enhancement.
- 2) 3% of the \$330,420,738 Campus IBD Budget Allocation

Description of Funds

The following descriptions pertain to the Statement of Funds shown on page 5.

A. General Fund

The General Fund is the predominant fund for financing University operations. It consists of the General Fund State Appropriation and student fee revenue. It may not be pledged toward capital programs and must be consistent with support of the mission of the CSU.

B. College of Continuing and Professional Education (CCPE)

The continuing education program provides the opportunity to students not currently admitted to CSULB to enroll in courses offered by the university for credit and professional development. It is self-supporting and derives its revenues primarily from student fee revenue and interest income. Funds are used for current operating expenses, maintenance and repair, and improvements to facilities. Available balances after payment of all operating expenses and required charges remain available for future program expenses and capital needs.

C. Housing Funds

The housing program provides on-campus housing primarily for students. It is a self-supporting program, deriving its revenues from fees collected for the use of the residence facilities. The housing operations funds are used for current operating expenses, maintenance and repair, improvements to facilities, and interest and principal payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for future program expense and capital needs.

The housing maintenance and repair funds are used to pay for extraordinary maintenance expenses, improvements, replacements, or renovation of furniture and equipment for the campus housing program.

D. Parking Funds

The parking program provides parking facilities. It is self-supporting and derives its revenues primarily from parking fee revenue and interest income. The parking operations funds are used for construction, repair and maintenance, and interest and principal payments on outstanding bonds. Available balances after payment of all operating expenses and required charges remain available for future program expenses and capital needs.

E. Parking Fines and Forfeitures Fund

The Parking Fines and Forfeitures Fund derives its revenues primarily from the issuance of parking tickets. It can only be used for citation administration and alternate transportation projects for faculty, staff, and students.

F. State Lottery Fund

The State Lottery Fund is funded by allocations received from profits of the California State Lottery Commission. Funds received shall be used exclusively for the education of students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other non-instructional purpose.

G. Other Trust Funds

Revenue Trust Funds are derived from monies received that are not designated for General Fund activities. These funds are used for activities specified in the trust agreement at the time the trust was created.

California State University, Long Beach Statement of Funds for the Year Ended June 30, 2012

	General Fund	College of Continuing and Professional Education	Housing	Parking	Parking Fines and Forfeitures	State Lottery	Other Trusts Funds	Total Operations
<u>SOURCE</u>								
<u>Revenues</u>								
State Appropriation	\$ 131,395,036	-	-	-	-	-	-	\$ 131,395,036
Operations revenue	187,917,122	28,190,937	19,209,692	8,472,897	1,244,129	-	11,805,021	256,839,798
Miscellaneous revenue	9,788,901	914,824	883,007	461,464	-	-	234,221,861	246,270,057
Interest income	374	210,763	297,671	130,149	12,065	13,597	1,147,217	1,811,837
Reimbursements/Transfers in	8,017,469	13,616,037	3,038,274	403,937	-	2,626,235	3,841,287	31,543,239
Total revenues	337,118,902	42,932,562	23,428,645	9,468,447	1,256,194	2,639,832	251,015,386	667,859,966
Reserves from prior year	50,989,386	13,766,049	28,260,752	11,944,351	1,373,368	1,836,371	30,382,179	138,552,457
Total source of funds	\$388,108,288	\$56,698,611	\$51,689,397	\$21,412,798	\$2,629,562	\$4,476,203	\$ 281,397,564	\$806,412,423
<u>APPLICATION</u>								
<u>Salaries</u>								
Salaries & wages - Management	20,493,144	909,100	341,532	90,000	68,736	-	342,350	22,244,862
Salaries & wages - Staff	60,448,572	3,019,070	1,617,073	357,369	437,491	39,282	1,466,763	67,385,621
Student Assistants	2,659,468	746,934	275,475	102,621	41,987	225,413	806,919	4,858,817
Other salaries & wages	1,530,738	28,158	41,694	100,191	26,422	374	435,472	2,163,049
Salaries & wages - faculty	60,675,251	-	-	-	-	-	-	60,675,251
Department Chairs	5,430,812	-	-	-	-	-	2,326	5,433,138
Other faculty salaries & wages	32,657,691	7,981,968	-	-	-	45,773	2,175,148	42,860,579
Instructional Student Assistants	502,255	5,794	-	-	-	44,773	-	552,822
Work Study	1,200,948	-	-	-	-	-	-	1,200,948
Total salaries	185,598,879	12,691,025	2,275,774	650,181	574,636	355,616	5,228,978	207,375,087
Benefits	72,095,997	2,212,101	1,118,951	268,594	306,426	31,101	1,632,319	77,665,491
Total salaries and benefits	257,694,876	14,903,126	3,394,725	918,775	881,062	386,717	6,861,297	285,040,578
Operating expenditures	83,076,121	24,860,019	10,707,249	6,851,583	1,582,163	2,141,014	244,233,131	373,451,281
Total application of funds	\$340,770,997	\$39,763,145	\$14,101,974	\$7,770,358	\$2,463,225	\$2,527,732	\$ 251,094,428	\$658,491,859
Reserve balance, end of year	\$ 47,337,291	\$ 16,935,466	\$ 37,587,424	\$13,642,440	\$ 166,337	\$ 1,948,471	\$ 30,303,137	\$ 147,920,564

Glossary of Terms

ALLOCATION – A distribution of funds or an expenditure limit established for an organizational unit.

APPROPRIATION – An authorization from a specific fund to accommodate expenditures/incur obligations for a specified purpose and period of time. These appropriation items are routinely limited to one year, unless otherwise specified.

AUXILIARY ORGANIZATION – An independent, self-supporting entity which is operated as a service for the benefit of the CSULB community. At CSULB, the auxiliary organizations are Forty-Niner Shops, Inc., Associated Students, Inc. (including University Student Union), and CSULB Foundation.

BENEFITS – Category of expenditures representing the employer's (state) costs of contributions for employees' benefits such as: retirement, OASDI, health and welfare benefits, Workers' Compensation, unemployment insurance, industrial disability leave benefits and non-industrial disability leave benefits.

DIVISION – An organizational unit comprised of various departments.

FISCAL YEAR (FY) – A twelve-month period to which a budget applies. The FY for CSULB begins July 1 and ends June 30.

FUND – An entity that provides for the segregation of revenues and expenses to account for specific activities or obligations in accordance with restrictions or limitations. At CSULB, these funds are General, Housing, College of Continuing and Professional Education (CCPE), Parking, Parking Fines and Forfeitures, and State Lottery. Although not reflected in this presentation, the University also manages Federal and Agency Trust Funds.

ORIGINAL INTERNAL BUDGET – A campus plan of General Fund financial operations for the fiscal year beginning July 1; organized by operating division and department.

REIMBURSEMENTS – Amount received as repayment for the cost of work, for service performed, or for other expenditures made on behalf of another governmental unit or department. Reimbursements represent the recovery of expenditures, such as EO 1000, Federal Work Study, and other financial aid.

REVISED BUDGET – A year-to-date plan of financial operation for the fiscal year as modified by CSULB. This includes transfer to, from, and within the Original Internal Budget and any additional allocation(s) received by the University.

TRANSFERS – The movement of resources from one fund to another.

UNIVERSITY-WIDE ITEMS – Category of items defined by the campus as special allocations or special reserves/contingency funds (litigation, general reserves) or expenditures which are reflected across the University without regard to a particular operating division (utilities, student financial aid grant programs, staff benefits, compensation). These funds are managed at the university level.